

CHAPTER 121

ADMINISTRATION AND SUPERVISION

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121.01 MS 1957 [Repealed, Ex1959 c 71 art 8 s 26]

121.01 DEFINITIONS.

For the purpose of this chapter, the terms defined in section 120.02 have the same meaning.

History: Ex1959 c 71 art 2 s 1

121.02 MS 1957 [Repealed, Ex1959 c 71 art 8 s 26]

121.02 STATE BOARD OF EDUCATION.

Subdivision 1. A state department of education is hereby created which shall be maintained under the direction of a state board of education composed of nine representative citizens of the state, at least one of whom shall reside in each congressional district in the state.

Of the nine representative citizens of the state who are appointed to the state board of education not less than three members thereof shall previously thereto have served as an elected member of a board of education of a school district however organized.

The members of the state board shall be appointed by the governor, with the advice and consent of the senate. One member shall be chosen annually as president, but no member shall serve as president more than three consecutive years. The state board shall hold its annual meeting in August. It shall hold meetings on dates and at places as it designates. No member shall hold any public office, or represent or be employed by any board of education or school district, public or private, and shall not voluntarily have any personal financial interest in any contract with a board of education or school district, or be engaged in any capacity where a conflict of interest may arise.

Subd. 2. [Repealed, 1976 c 134 s 79]

Subd. 2a. The membership terms, compensation, removal of members, and filling of vacancies on the board shall be as provided in section 15.0575.

Subd. 3. If a member ceases to be a resident of the congressional district from which he was appointed he shall cease to be a member of the board. The governor shall appoint his successor within six months thereafter.

History: *Ex1959 c 71 art 2 s 2; Ex1967 c 17 s 1; 1969 c 1131 s 1; 1974 c 496 s 1; 1975 c 162 s 41; 1976 c 2 s 56; 1976 c 134 s 33,34; 1977 c 347 s 18; 1977 c 444 s 6; 1978 c 706 s 4*

121.03 MS 1957 [Repealed, Ex1959 c 71 art 8 s 26]

121.03 OATH.

Before entering upon the duties of his office each member of the state board shall take an oath of office which shall be filed with the secretary of state.

History: *Ex1959 c 71 art 2 s 3*

121.04 MS 1957 [Repealed, Ex1959 c 71 art 8 s 26]

121.04 MEMBERSHIP IN CERTAIN ORGANIZATIONS.

Subdivision 1. The state board may become a member of the council of chief state school officers, an association of state departments of education, and pay membership dues and contribute to the association for services rendered to the state department on the basis of actual and necessary expenses incurred by the council in preparing these services.

Subd. 2. The state board may become a member of associated state boards of education and permit its members to attend its meetings. The amount of annual membership dues in such association and actual and necessary expenses incurred in attending such meetings shall be paid as other expenses of the state board are paid.

History: *Ex1959 c 71 art 2 s 4; 1961 c 556 s 1; 1971 c 679 s 1*

121.05 MS 1957 [Repealed, Ex1959 c 71 art 8 s 26]

121.05 CONTRACTS WITH FEDERAL GOVERNMENT.

Subdivision 1. **Regulations governing.** The state board shall prescribe regulations under which contracts, agreements, or arrangements may be made with agencies of the federal government for funds, services, commodities, or equipment to

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be made available to the public tax-supported schools, school systems and educational institutions under the supervision or control of the state board.

Subd. 2. **Rules prescribed by state board.** All contracts, agreements or arrangements made by public tax-supported schools, school systems or educational institutions under the supervision or control of the state board involving funds, services, commodities, or equipment which may be provided by agencies of the federal government shall be entered into in accordance with regulations prescribed by the state board and in no other manner.

History: *Ex1959 c 71 art 2 s 5*

121.06 MS 1957 [Repealed, Ex1959 c 71 art 8 s 26]

121.06 CONTRACTS TO BE IN WRITING.

All contracts made by the state board shall be in writing and signed by its executive officer.

History: *Ex1959 c 71 art 2 s 6*

121.07 MS 1957 [Repealed, Ex1959 c 71 art 8 s 26]

121.07 MS 1976 [Repealed, 1977 c 305 s 46]

121.08 MS 1957 [Repealed, Ex1959 c 71 art 8 s 26]

121.08 MS 1976 [Repealed, 1977 c 305 s 46]

121.09 MS 1957 [Repealed, Ex1959 c 71 art 8 s 26]

121.09 ADMINISTRATION; EXCEPTIONS.

The commissioner shall administer all laws and rules promulgated by the board relating to libraries and other public educational institutions, except such laws as may relate to the University of Minnesota, state universities, community colleges, and area vocational technical institutes.

History: *Ex1959 c 71 art 2 s 9; 1975 c 321 s 2; 1977 c 305 s 40; 1984 c 463 art 5 s 3*

121.10 MS 1957 [Repealed, Ex1959 c 71 art 8 s 26]

121.10 MS 1976 [Repealed, 1977 c 305 s 46]

121.11 MS 1957 [Repealed, Ex1959 c 71 art 8 s 26]

121.11 STATE BOARD.

Subdivision 1. [Repealed, 1983 c 258 s 72 subd 3]

Subd. 2. [Repealed, 1978 c 616 s 8]

Subd. 3. [Repealed, 1978 c 616 s 8]

Subd. 4. [Repealed, 1978 c 616 s 8]

Subd. 5. **Uniform system of records and of accounting.** The state board shall prepare a uniform system of records for public schools, require reports from superintendents and principals of schools, teachers, school officers, and the chief officers of public and other educational institutions, to give such facts as it may deem of public value. Beginning in fiscal year 1977, all reports required of school districts by the state board shall be in conformance with the uniform financial accounting and reporting system adopted pursuant to section 121.902. With the cooperation of the state auditor, the state board shall establish and carry into effect a uniform system of accounting by public school officers and it shall have authority to supervise and examine the accounts and other records of all public schools.

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Subd. 6. Visitorial powers and duties. Authorized representatives of the state board shall visit the elementary and secondary schools and report their findings and recommendations.

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

Subd. 7a. Driver education rules. By July 1, 1982, the state board of education shall adopt emergency rules pursuant to section 15.0412, subdivision 5, establishing criteria for approval of driver education courses offered through the public schools. Notwithstanding any law to the contrary, the emergency rules shall be effective until July 1, 1983 or until the state board adopts permanent rules, whichever is earlier.

Subd. 8. Examinations in elementary schools. In order to insure satisfactory completion of subject in the elementary field, the state board may require that examinations be given in any elementary school, such examinations to be designated or prepared under the direction of the state board.

Subd. 9. Uniform forms for state examinations. Upon the request of any superintendent of any public or private school teaching high school courses in the state, the state board shall designate or prepare uniform forms for state examinations in each high school subject during the month of May of each year; such request shall be in writing and delivered to the commissioner before January first of such year.

Subd. 10. [Repealed, 1975 c 162 s 42]

Subd. 11. Evening schools under state board; investigations. The state board shall exercise general supervision over the public evening schools, adult education programs and summer program.

Subd. 12. Administrative rules. The state board shall adopt and enforce rules, consistent with this code, appropriate for the administration and enforcement thereof. Notwithstanding the provisions of section 14.05, subdivision 4, the state board may grant a variance to its rules upon application by a school district for purposes of implementing experimental programs in learning or school management which attempt to make better use of community resources or available technology.

Subd. 13. Certification of school business officers. The state board shall have power to adopt reasonable rules and regulations for the purpose of certifying persons who may bear the title of school business officers, and who may be designated by the school board to have general responsibility under the superintendent for the administration of the business affairs of the district. The state board shall issue certificates to such persons as the state board finds to be qualified therefor. Nothing in this subdivision shall prohibit a school board from hiring a non-certified business officer to have general responsibility under the superintendent for the administration of the business affairs of the district.

Subd. 14. School lunch program, revolving fund. The commissioner of finance shall establish for the state board a revolving fund for deposit of storage and handling charges paid by recipients of donated foods shipped by the school lunch section of the department of education. These funds are to be used only to pay storage and related charges as they are incurred for United States department of agriculture foods.

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Subd. 15. **Certain licensure rules.** The state board of education shall adopt and maintain as its rules for licensure of adult vocational education teachers, supervisory, and support personnel the rules of the state board of vocational technical education.

History: *Ex1959 c 71 art 2 s 11; 1965 c 718 s 1; 1969 c 9 s 23,24; 1969 c 288 s 1; 1973 c 492 s 14; 1975 c 162 s 6,7; 1976 c 271 s 21; 1977 c 347 s 19; 1977 c 447 art 7 s 4; 1982 c 424 s 130; 1982 c 548 art 4 s 4,23; 1983 c 258 s 22; 1984 c 640 s 32*

NOTE: School buses, regulations, see section 169.45.

121.12 MS 1957 [Repealed, Ex1959 c 71 art 8 s 26]

121.12 FORMS AND BLANKS.

The state board shall prepare or designate standard forms for school registers, state board examination questions and answers, uniform forms for all reports required by statute, uniform record books for district treasurers and clerks, and any other blanks necessary for school business. These forms may be purchased through the department and the request therefor shall conform to the rules and regulations of the department. The purchase of these forms by the department shall be made through the department of administration, division of printing, and is subject to the rules provided by statute for the purchase of such forms and examinations for the state. The purchase of these uniform forms and examinations may be made by the school districts directly from vendors.

History: *Ex1959 c 71 art 2 s 12; 1978 c 706 s 5*

121.13 MS 1957 [Repealed, Ex1959 c 71 art 8 s 26]

121.13 MS 1980 [Repealed, 1981 c 358 art 7 s 31]

121.14 MS 1957 [Repealed, Ex1959 c 71 art 8 s 26]

121.14 RECOMMENDATIONS; BUDGET.

The state board shall recommend to the governor and legislature such modification and unification of laws relating to the state system of education as shall make those laws more readily understood and more effective in execution. The state board shall prepare a biennial education budget which shall be submitted to the governor and legislature, such budget to contain a complete statement of finances pertaining to the maintenance of the state department and to the distribution of state aid to public schools.

History: *Ex1959 c 71 art 2 s 14*

121.15 MS 1957 [Repealed, Ex1959 c 71 art 8 s 26]

121.15 REVIEW AND COMMENT FOR SCHOOL DISTRICT CONSTRUCTION.

Subdivision 1. **Consultation.** A school district shall consult with the department of education before developing any plans and specifications to construct, remodel, or improve the building or site of an educational facility, other than an area vocational technical institute. This consultation shall occur before a referendum for bonds, solicitation for bids, or use of capital funds according to section 275.125, subdivision 11a, clause (c), is initiated.

Subd. 2. **Plan submittal.** The department of education, after the consultation required in subdivision 1, may require a school district engaging in a construction, remodeling, or site improvement project to submit for approval:

(a) two sets of preliminary plans for each new building or addition, and

(b) one set of final plans for each construction, remodeling, or site improvement project. The department of education shall approve or disapprove the plans within 60 days after submission. A school district shall not award contracts before the department approves the plans.

Final plans shall meet all applicable state laws, rules, and codes concerning public buildings, including sections 16.83 to 16.87. The department of education's approval shall be limited to compliance with applicable state laws, rules, and codes and shall reasonably conform to the recommended educational standards established by the department of education. The department may furnish to a school district plans and specifications for temporary school buildings containing two classrooms or less.

Subd. 3. **Final plans.** If no construction contract has been awarded within two years of approval, the approval shall no longer be valid. After approval, final plans and the approval shall be filed with the department of education. If substantial changes are made to plans after final approval, documents reflecting the changes shall be submitted to the department of education for approval. Upon completing a project, the school board shall certify to the department that the project was completed according to the approved plans.

Subd. 4. **Condemnation of school buildings.** The department of education may condemn school buildings and sites which the state board of education determines are unfit or unsafe for that use.

Subd. 5. **Rulemaking.** The state board of education may adopt rules for public school buildings.

Subd. 6. **Review and comment.** No referendum for bonds or solicitation of bids for new construction, expansion, or remodeling of an educational facility which requires a capital expenditure in excess of \$400,000 per school site shall be initiated prior to review and comment by the commissioner. A school board shall not separate portions of a single project into components to avoid the requirements of this subdivision.

Subd. 7. **Information required.** A school board proposing to construct a facility described in subdivision 6 shall submit to the commissioner a proposal containing information including at least the following:

(a) the geographic area proposed to be served, whether within or outside the boundaries of the school district;

(b) the population proposed to be served, including census findings and projections of the number of preschool and school-aged people in the area;

(c) the reasonably anticipated need for the facility or service to be provided;

(d) a description of the construction in reasonable detail, including: the capital expenditures contemplated; the estimated annual operating cost, including the anticipated salary and number of new staff necessitated by the proposal; and an evaluation of the energy efficiency and effectiveness of the construction, including estimated annual energy costs;

(e) so far as is known, existing facilities within the area to be served that offer the same or similar service; the extent existing facilities or services are used; the extent to which space is available from other sources, including institutions for higher education or other public buildings; and the anticipated effect that the proposal will have on existing facilities and services;

- (f) the anticipated benefit to the area that will result from the facility;
- (g) if known, the relationship of the proposed construction to any priorities which have been established for the area to be served;
- (h) the availability and manner of financing the facility and the estimated date to begin and complete the facility; and
- (i) desegregation requirements that cannot be met by any other reasonable means.

Subd. 8. Review of proposals. In reviewing each proposal, the commissioner shall submit to the school board, within 60 days of receiving the proposal, the review and comment about the educational and economic advisability of the project. The review and comment shall be based on information submitted with the proposal and other information the commissioner determines is necessary.

Subd. 9. Publication. At least 20 days but not more than 60 days before a referendum for bonds or solicitation of bids to construct a facility, the school board shall publish the commissioner's review and comment in a legal newspaper of general circulation in the area. Supplementary information shall be available to the public.

Subd. 10. Report. Before January 15 of each year, the commissioner shall report to the legislature about the number and nature of proposals for projects submitted according to this section, the nature of the review and comment on the educational and economic advisability, and any recommendations.

History: *Ex 1959 c 71 art 2 s 15; 1969 c 532 s 1; 1977 c 305 s 45; 1983 c 314 art 7 s 6; 1984 c 463 art 7 s 1*

121.151 STANDARDS FOR REMOVAL OF HAZARDOUS SUBSTANCES.

Prior to using the revenue obtained according to sections 123.36, subdivision 13, 124.245, subdivisions 1b and 1c, and 275.125, subdivisions 11b and 11c, a school district shall obtain approval from the department of education for its method of removal or encapsulation of asbestos or cleanup or disposal of polychlorinated biphenyls. The department of education shall consult with the pollution control agency, health department, environmental protection agency, or other appropriate governmental agency in approving or disapproving a district's method. If the pollution control agency or other appropriate governmental agency adopts rules establishing standards for asbestos removal or encapsulation or cleanup or disposal of polychlorinated biphenyls, the department of education shall approve only those district methods which are in compliance with the adopted rules.

History: *1983 c 314 art 6 s 1*

121.16 COMMISSIONER OF EDUCATION.

Subdivision 1. The department shall be under the administrative control of the commissioner of education which office is established. The commissioner shall be the secretary of the state board. The commissioner shall be appointed by the governor under the provisions of section 15.06.

The commissioner shall be a person who possesses educational attainment and breadth of experience in the administration of public education and of the finances pertaining thereto commensurate with the spirit and intent of this code. Notwithstanding any other law to the contrary, the commissioner may appoint two deputy commissioners who shall serve in the unclassified service. The commissioner shall also appoint other employees as may be necessary for the organization of the department. The commissioner shall perform such duties as the law and the rules of the state board may provide and be held responsible for the efficient administration

and discipline of the department. The commissioner shall make recommendations to the board and be charged with the execution of powers and duties which the state board may prescribe, from time to time, to promote public education in the state, to safeguard the finances pertaining thereto, and to enable the state board to carry out its duties.

Subd. 2. [Repealed, 1977 c 305 s 46]

History: *Ex1959 c 71 art 2 s 16; 1969 c 1129 art 8 s 16; 1977 c 305 s 41; 1978 c 764 s 8; 1983 c 150 s 1*

121.165 REPORTS BY THE COMMISSIONER.

Prior to January 15 of each year, the commissioner of education shall gather and report to the committees on education of the senate and house of representatives from presently available reports or from new reports it may require of school districts, the following types of information: the number of classroom teachers in every district at each training, experience and salary level; the ratio of pupils to full time equivalent certified classroom teachers in every district; and any other district staffing characteristics of fiscal import. This information shall be gathered in such a manner as to render it capable of district by district, regional and statewide comparison and analysis.

History: *1975 c 432 s 3; 1976 c 271 s 22*

121.166 INSTITUTIONAL POLICY.

Before July 1 of each year, each welfare and correctional institution which offers an elementary, secondary or vocational educational program shall develop a written policy for its educational program for the next school year. The institutional policy shall specify the educational goals for the institution; instructional plans for implementing these goals; estimated number and grade level of students; number of licensed educational staff; areas of licensure; student to staff ratios; number of supervisory personnel; proposed educational budget; procedures for evaluation of the program; and any other information deemed necessary by the commissioner of education for the evaluation of the educational institutions. The institutions shall submit the policy to the commissioner of education who will review the policy to determine whether the program and personnel employed in the program are adequate to meet the institution's obligation to provide instruction and services in compliance with the state board's rules and standards. If necessary, the commissioner shall make recommendations to the institution for changes in its educational program.

History: *1982 c 470 s 2*

121.17 QUESTIONS SUBMITTED TO ATTORNEY GENERAL.

If there be any doubt as to the proper construction of any part of the state school laws, the commissioner, at the request of any public officer, shall submit such question to the attorney general, who shall give his written opinion thereon and such opinion shall be binding until annulled or overruled by a court.

History: *Ex1959 c 71 art 2 s 17*

121.18 [Repealed, 1975 c 90 s 2]

121.19 MEETINGS WITH SCHOOL BOARDS, SUPERINTENDENTS, AND PRINCIPALS.

For the purpose of considering matters affecting the interests of public education, the commissioner, or his representative, shall, upon notice, meet with the several school board members, superintendents, school principals, and teachers at such times and places in the state as he shall deem most convenient and beneficial.

History: *Ex1959 c 71 art 2 s 19; 1975 c 162 s 8*

121.20 TEACHERS' INSTITUTES.

Subdivision 1. The commissioner may order and conduct teachers' institutes for the professional instruction and training of teachers according to such rules and regulations as he may prescribe.

Subd. 2. Teachers required to attend institutes shall be paid at the usual contract rate by their district for all time school is closed on account of the institute.

Subd. 3. The commissioner may use any public school buildings or facilities or equipment for purposes of teachers' institutes as he may designate in his order calling the institute.

Subd. 4. Any school board may appropriate money from district funds for the conduct of teachers' institutes to be held under the general supervision of the commissioner. The school board shall pay the expenses of the superintendent for attendance at institutes.

History: *Ex1959 c 71 art 2 s 20; 1975 c 162 s 9*

121.201 HEARING IMPAIRED EDUCATIONAL SUPPORT SERVICES.

Subdivision 1. **Responsibility of board.** The state board of education shall coordinate and may pay for support services for hearing impaired persons to assure access to educational opportunities. Services may be provided to adult students who are hearing impaired and (a) have been denied access to educational opportunities because of the lack of support services or (b) are presently enrolled or (c) are contemplating enrollment in an educational program and would benefit from support services. The state board shall also be responsible for conducting inservice training for public and private agencies regarding the needs of hearing impaired persons in the adult education system.

Subd. 2. **Support services.** The state board may pay school districts or public or private community agencies for the following support services:

(a) Interpreter services to provide translation for an individual or a group of students; or

(b) Notetaker services to convert spoken language to written language when the student must maintain visual contact with other persons such as an interpreter or instructor.

Subd. 3. **Programs included.** Support services may be provided for:

(a) Local school district adult education programs;

(b) Adult vocational school programs; and

(c) Avocational education programs sponsored by public or private community agencies.

History: *1981 c 358 art 3 s 9*

121.21 Subdivision 1 [Renumbered 136C.07 subdivision 1]

Subd. 2. [Renumbered 136C.07 subd 2]

Subd. 3. [Renumbered 136C.07 subd 3]

- Subd. 4. [Renumbered 136C.07 subd 4]
- Subd. 4a. [Renumbered 136C.07 subd 5]
- Subd. 5. [Repealed, 1975 c 432 s 98]
- Subd. 6. [Repealed by amendment, 1984 c 463 art 5 s 4]
- Subd. 7. [Repealed, 1975 c 432 s 97]
- Subd. 8. [Renumbered 136C.07 subd 6]
- Subd. 9. [Repealed, 1975 c 432 s 97]
- Subd. 10. [Repealed, 1975 c 432 s 97]
- Subd. 11. [Renumbered 136C.07 subd 7]
- 121.211** [Repealed, 1975 c 432 s 97]
- 121.212** [Renumbered 136C.08]
- 121.213** [Renumbered 136C.17]
- 121.214** [Renumbered 136C.42]
- 121.215** [Renumbered 136C.43]
- 121.2155** [Renumbered 136C.44]
- 121.216** [Renumbered 136C.15]
- 121.217** [Repealed, 1984 c 463 art 5 s 37]
- 121.218** Subdivision 1. [Renumbered 136C.042 subdivision 1]
 - Subd. 2. [Renumbered 136C.042 subd 2]
 - Subd. 3. [Repealed by amendment, 1984 c 463 art 5 s 11]
- 121.22** [Repealed, 1978 c 546 s 8]
- 121.23** [Repealed, 1978 c 546 s 8]
- 121.24** [Repealed, 1978 c 546 s 8]

121.25 TEACHERS EMPLOYMENT BUREAU.

There is hereby established a bureau for the purpose of securing employment for teachers in the public schools in this state, to be known as the state teachers employment bureau and to be maintained in connection with the department under the direction of the state board.

History: Ex1959 c 71 art 2 s 25

121.26 ENROLLMENT WITH BUREAU; FEE.

Any person having a certificate to teach in this state, or who has completed a course of study as required for the issuance of a certificate, or who may be found entitled to receive such certificate, and who is deemed to be a fit and capable person for teaching, shall be entitled to enroll with the teachers employment bureau upon complying with the regulations of the state board and upon the payment of such fee as may be determined by the state board, which fee shall not be less than \$10 per year.

History: Ex1959 c 71 art 2 s 26; 1969 c 1148 s 60; 1976 c 163 s 6

121.27 PURPOSE OF BUREAU; INFORMATION.

It shall be the purpose of the state teachers employment bureau to furnish to boards, superintendents, principals, or other proper authorities information regarding teachers and to furnish teachers enrolled with the bureau information relative to vacancies; but no person connected with the state teachers employment bureau shall be held responsible for nor be understood to vouch for the fitness or success of any

teacher who may secure a position in a public school through the bureau nor shall the payment and acceptance of the enrollment fee be construed as a guarantee for securing through the bureau employment to teach.

History: *Ex1959 c 71 art 2 s 27*

121.28 TEACHERS EMPLOYMENT BUREAU, DIRECTOR.

The commissioner shall nominate and the state board shall appoint a director of the state teachers employment bureau, who shall perform his duties under the general supervision of the commissioner and shall be furnished necessary office rooms. The state board may appoint such clerical and other assistants as may be required to carry out the purposes of the state teachers employment bureau. The state board shall make the necessary rules and regulations for conducting this bureau. The commissioner shall designate one employee of this bureau who shall collect and receipt for all fees and report and pay the fees to the state treasurer.

History: *Ex1959 c 71 art 2 s 28; 1978 c 706 s 7*

- 121.29 [Repealed, 1976 c 332 s 10]
- 121.30 [Repealed, 1976 c 332 s 10]
- 121.301 [Repealed, 1976 c 332 s 10]
- 121.31 [Repealed, 1976 c 239 s 30; 1976 c 332 s 10]
- 121.32 [Repealed, 1976 c 332 s 10]
- 121.33 [Repealed, 1976 c 332 s 10]
- 121.331 [Repealed, 1976 c 332 s 10]
- 121.34 [Repealed, 1973 c 757 s 5]

121.35 COUNTY SUPERINTENDENTS, ABOLISHED RECORDS.

Subdivision 1. [Repealed, 1975 c 162 s 42]

Subd. 2. [Repealed, 1975 c 162 s 42]

Subd. 3. [Repealed, 1975 c 162 s 42]

Subd. 4. [Repealed, 1975 c 162 s 42]

Subd. 5. In any county where the office of the county superintendent has been abolished, permanent records of the office shall be filed in accessible, fireproof storage as determined by the county board of commissioners.

History: *Ex1959 c 71 art 2 s 35; 1963 c 12 s 1; 1969 c 46 s 1-3*

- 121.355 [Repealed, 1975 c 162 s 42]
- 121.36 [Repealed, 1975 c 162 s 42]
- 121.37 [Repealed, 1975 c 162 s 42]
- 121.38 [Repealed, 1975 c 162 s 42]
- 121.39 [Repealed, 1975 c 162 s 42]
- 121.40 [Repealed, 1975 c 162 s 42]
- 121.41 [Repealed, 1975 c 162 s 42]
- 121.42 [Repealed, 1975 c 162 s 42]
- 121.43 [Repealed, 1975 c 162 s 42]
- 121.44 [Repealed, 1975 c 162 s 42]
- 121.45 [Repealed, 1975 c 162 s 42]
- 121.46 [Repealed, 1975 c 162 s 42]
- 121.47 [Repealed, 1975 c 162 s 42]

121.48 PURCHASE OF ANNUITY FOR EMPLOYEES.

Subdivision 1. At the request of an employee, the state board of education may negotiate and purchase an individual annuity contract from a company licensed to do business in the state of Minnesota for an employee for retirement or other purposes and may allocate a portion of the compensation otherwise payable to the employee as salary for the purpose of paying the entire premium due or to become due under such contract. The allocation shall be made in a manner which will qualify the annuity premiums, or a portion thereof, for the benefit afforded under section 403(b) of the current federal internal revenue code or any equivalent provision of subsequent federal income tax law. The employee shall own such contract and his rights thereunder shall be nonforfeitable except for failure to pay premiums.

Subd. 2. All amounts so allocated shall be deposited in an annuity account which is hereby established in the state treasury. There is annually appropriated from the annuity account in the state treasury to the state board of education all moneys deposited therein for the payment of annuity premiums when due or for other application in accordance with the salary agreement entered into between the employee and the state board of education. The moneys in the annuity account in the state treasury are not subject to the budget, allotment, and incumbrance system provided for in chapter 16A and any act amendatory thereof.

History: 1969 c 751 s 1; 1977 c 410 s 12

121.49 ITEMIZATION OF AMOUNT OF AID TO DISTRICTS.

Subdivision 1. The department of education shall itemize for each school district in the state the total amount of money and the amount of money per pupil unit which accrues to the district for each fiscal year from each type of state and federal aid, refund, payment, credit, disbursement or monetary obligation of any kind, including but not limited to each special state aid, emergency aid, payments in lieu of taxes, and pension and retirement obligations for the benefit of personnel of the district. State agencies which have information necessary for the itemization required by this section shall provide the information to the department of education. The completed itemizations shall be reported to the appropriate standing committees of the legislature in convenient reference form not later than December 1 following the year for which they are made.

Subd. 2. [Repealed, 1981 c 358 art 7 s 31]

History: Ex1971 c 31 art 20 s 17; 1978 c 706 s 8; 1979 c 334 art 6 s 3

121.495 BASIC SKILLS PROGRAM.

Subdivision 1. **Purpose.** The legislature finds that (1) all children have the right to achieve their full educational potential, and (2) children from all socio-economic backgrounds deserve the opportunity to receive instruction in the basic skills of listening, speaking, reading, writing and computation in order to be able to function politically, economically and socially in a democratic society. Therefore, the purpose of this section is to establish a program providing leadership, technical assistance, and training in basic skills instruction on a regional basis to school districts and nonpublic schools.

Subd. 2. **Definition.** For purposes of this section, "basic skills" means the abilities to listen, speak, read, write and compute.

Subd. 3. **Participation.** Any district or nonpublic school may participate in the state basic skills program if its governing board adopts a resolution affirming basic skills as a priority, designating a local basic skills director, allowing the

designated local basic skills director to attend a program of training in the development and maintenance of a high quality basic skills program, and agreeing to develop a comprehensive basic skills program in accordance with this training. If more districts or nonpublic schools apply than can be served in a particular year, the commissioner shall select participating districts and nonpublic schools. A school district or nonpublic school which participates in the state basic skills program may establish a basic skills advisory committee to assist it in establishing and maintaining a basic skills program. A school district may designate the curriculum advisory committee established pursuant to section 123.741, subdivision 3, as the basic skills advisory committee.

Subd. 4. Regional directors. The commissioner shall establish a basic skills section in the department which shall employ a state basic skills director and regional basic skills directors assigned to serve the various educational cooperative service units or portions of those units. The basic skills section shall provide technical assistance to those school districts and nonpublic schools which choose to participate in the state basic skills program. The regional directors, in cooperation with the educational cooperative service units, shall provide training to each local basic skills director in the development and maintenance of high quality basic skills programs according to predetermined criteria of excellence. This technical assistance and training shall cover at least the following: assessment of local basic skills programs, planning a comprehensive basic skills program, alternative methods of implementing a local basic skills program, in-service training of staff in basic skills instruction, assessment of the basic skills needs of pupils, selection of instructional materials, and evaluation of pupils' progress in acquiring basic skills. The department shall reimburse local basic skills directors for any expenses incurred for travel, lodging and meals in order to participate in basic skills training and shall reimburse school districts for 50 percent of any wages paid to substitute teachers employed to replace local basic skills directors while they attend basic skills training.

Subd. 5. In-service training. Each participating district or nonpublic school shall provide a minimum of 20 hours of in-service training in the instructional process for the basic skills to all teachers who volunteer to participate in the training.

Subd. 6. [Repealed, 1981 c 358 art 7 s 31]

History: 1979 c 334 art 6 s 4

121.496 STATE DEPARTMENT OF EDUCATION TO FURNISH LIST OF BOOKS.

The state department of education shall from time to time prepare and amend a list of books suitable for school libraries, including dictionaries and other books of reference, histories and works of biography, literature, political economy, agriculture, travel, and science.

History: 1921 c 397 s 4; 1983 c 314 art 11 s 22 (3018)

121.50 [Expired]

121.501 [Renumbered 129B.41]

121.502 [Renumbered 129B.42]

121.503 Subdivision 1. [Renumbered 129B.43 subdivision 1]

Subd. 2. [Renumbered 129B.43 subd 2]

Subd. 2a. [Renumbered 129B.43 subd 3]

Subd. 3. [Renumbered 129B.43 subd 4]

Subd. 4. [Renumbered 129B.43 subd 5]

Subd. 5. [Renumbered 129B.43 subd 6]

121.504 [Renumbered 129B.44]

121.505 [Renumbered 129B.45]

121.506 [Renumbered 129B.46]

121.507 [Renumbered 129B.47]

121.601 SUBJECT AREA IN-SERVICE TRAINING.

Subdivision 1. Establishment. The commissioner of education shall maintain a program for providing in-service training to school district staff. Each year, the commissioner shall recommend to the legislature subject areas for in-service training programs. In-service training programs shall emphasize the academic content of the subject area. They shall also offer a broad spectrum of experiences, including activities which require active participant involvement rather than classroom lectures. To the extent possible, the in-service training programs shall be integrated with the technology in-service training provided according to sections 129B.34 and 129B.35.

Subd. 2. Need assessment and planning grants. The commissioner shall determine the needs of pupils for a subject area using the statewide assessment program, before making subject area recommendations to the legislature. The commissioner shall consult with teachers of the subject area to determine the needs of teachers.

Subd. 3. Initial proposals and planning grants. The commissioner shall request initial proposals from eligible organizations and institutions. After reviewing the initial proposals, the commissioner may award up to 20 grants to develop proposals for final selection.

Subd. 4. Final proposals. Final proposals shall include at least the following:

(a) a variety of staff education activities which are designed to assess and upgrade the subject matter knowledge of those attending the training programs;

(b) provisions for addressing the requirements for licensure for those staff who currently are not licensed in the designated areas but who desire to be so licensed;

(c) a plan for staff who participate in the training program to return to their school districts and provide training programs or disseminate information on in-service programs to other staff in their districts and regions;

(d) a process for notifying staff in the state who teach in the designated subject areas and who are eligible for the program, a process for selecting staff to participate in the in-service training program, and a mechanism for evaluation to be provided to the state board upon completion of the program;

(e) an estimated budget for the program, which shall provide for tuition expenses, related expenses including meals and lodging, and a stipend for participants in the program; and

(f) other information that may be requested by the department.

Subd. 5. Eligible applicants. The commissioner may award grants to public or nonpublic institutions of higher education, public or private nonprofit organizations, educational cooperative service units, or school districts. When awarding grants, the commissioner shall ensure geographic accessibility of the programs to teachers throughout the state and a balance of programs available in different subject areas.

Subd. 6. Consultation. When reviewing initial and final proposals, the commissioner shall consult with elementary and secondary staff in the designated subject areas to ensure that proposals submitted incorporate recent research findings and address the retraining needs of staff in those subject areas.

Subd. 7. **Additional money.** The commissioner may accept contributions from additional private or public sources to supplement state money. These contributions shall be added to the total amount of available state money and shall be administered in the same manner as state money.

The commissioner shall apply for and accept all federal money available for in-service training programs in the designated subject areas.

Subd. 8. **Dates.** The commissioner shall determine the dates by which initial and final proposals are to be submitted. The commissioner shall award grants each year by March 1.

History: 1983 c 314 art 8 s 1; 1984 c 463 art 8 s 1

121.608 INSTRUCTIONAL EFFECTIVENESS PLAN.

The commissioner of education shall develop a comprehensive statewide plan for maintaining and improving instructional effectiveness in the schools. The plan shall encourage implementation of school effectiveness strategies based on research findings in the area, develop inservice training models for school district staff, integrate developments in educational technology with classroom instruction models, and develop a mechanism for establishing a statewide network to coordinate and disseminate information on research in instructional effectiveness. The commissioner may employ consultants and specialists to assist in the development of the plan, and, to the extent possible, shall utilize the information provided by the planning, evaluation, and reporting process and the statewide assessment program. The plan shall be revised as necessary.

History: 1983 c 314 art 8 s 2; 1984 c 463 art 8 s 2

121.609 INSTRUCTIONAL EFFECTIVENESS TRAINING.

Subdivision 1. **Advisory task force; program model.** The commissioner of education shall appoint an advisory task force to assist the department of education, in cooperation with the educational cooperative service units, in developing an implementation model for training school district staff in instructional effectiveness. The training program model shall be based on established principles of instructional design and the essential elements of effective instruction as determined by educational research. The training program model shall take into account the diverse needs of the school districts due to such factors as district size and location, and shall be structured to facilitate regional delivery of the training through the educational cooperative service units.

Subd. 2. **Pilot testing of training model.** Between January 1, 1984, and June 30, 1985, the commissioner shall administer a pilot program of the instructional effectiveness training models which shall be implemented in at least 20 pilot sites throughout the state. The advisory task force established in subdivision 1 of this section may recommend modifications in the training models as necessary.

Subd. 3. **Evaluation and report.** The commissioner shall pay an independent evaluator to conduct an evaluation of the effectiveness of this section. A preliminary evaluation, including a sample survey of district personnel trained at the pilot sites, shall be completed by January 1, 1985.

The commissioner, with the assistance of the advisory task force, shall develop a long-term evaluation instrument for use at the pilot sites and other districts utilizing the instructional effectiveness models. The long-term evaluation instrument shall include a method for measuring student achievement.

Subd. 4. **Regional services.** The department of education shall contract with educational cooperative service units or other regional educational service agencies to

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provide assistance to the school districts in an educational cooperative service unit region in implementing instructional effectiveness models. In selecting an agency to provide assistance to the school districts, the department shall consider such factors as support of the proposal by the participating school districts and the extent to which the proposal provides for participation by school district staff. If more than one agency submits a proposal to provide services to school districts within an educational cooperative service unit region, the department shall encourage the agencies to develop a joint proposal.

Subd. 5. Instructional effectiveness training. Utilizing the statewide plan developed pursuant to section 121.608 and the regional support services authorized in subdivision 4, the department of education shall provide instructional effectiveness training for school district staff. The training shall be provided by building level leadership teams, as defined in the statewide plan developed pursuant to section 121.608. The training shall include clarification of individual school goals and expectations, enhancement of collaborative planning and collegial relationships among the building staff, improvement of instructional skills and instructional climate of the school, and planning of staff development programs.

History: 1983 c 314 art 8 s 3; 1984 c 463 art 8 s 3

121.612 CITATION.

Subdivision 1. This section may be cited as the "Minnesota Academic Excellence Act."

Subd. 1a. Creation of foundation. There is created the Minnesota Academic Excellence Foundation. The purpose of the foundation shall be to promote academic excellence in Minnesota public schools through a public-private partnership. The foundation shall be a nonprofit organization.

Subd. 2. Board of directors. The board of directors of the foundation shall consist of the governor or the governor's designee; the chairpersons of the education committee and education finance division in the house of representatives and the chairpersons of the education committee and education subcommittee on education aids in the senate; a minority member of the house of representatives to be appointed by the house minority leader; a minority member of the senate, to be appointed by the senate minority leader; the commissioner of education; and 15 members to be appointed by the governor. Of the 15 members appointed by the governor, six shall represent various education groups and nine shall represent various business groups. The board of directors shall meet as soon as possible after the effective date of this section. The commissioner of education shall serve as secretary for the board of directors and provide administrative support to the foundation.

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

(a) recognition programs and awards for students demonstrating academic excellence;

(b) summer institute programs for students with special talents;

(c) recognition programs for teachers, administrators, and others who contribute to academic excellence;

(d) summer mentorship programs with business and industry for students with special career interests and high academic achievements;

(e) governor's awards ceremonies to promote academic competition; and

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

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

Subd. 4. **Private funding.** The foundation shall seek private resources to supplement the available public money. Individuals, businesses, and other organizations may contribute to the foundation in any manner specified by the board of directors. All money received shall be administered by the board of directors.

Subd. 5. **Report.** By February 1, 1984, and February 1, 1985, the board of directors of the foundation shall report to the education committees of the legislature on the progress of its activities made pursuant to the provisions of this section.

History: 1983 c 314 art 8 s 4

121.71 [Repealed, 1976 c 332 s 10]

121.711 [Repealed, 1976 c 332 s 10]

121.712 [Repealed, 1976 c 332 s 10]

121.713 [Repealed, 1976 c 332 s 10]

121.714 [Repealed, 1976 c 332 s 10]

121.715 [Repealed, 1969 c 430 s 2]

INTERSTATE COMPACT FOR EDUCATION

121.81 COMPACT.

The compact for education is hereby entered into and enacted into law with all jurisdictions legally joining therein, in the form substantially as follows:

COMPACT FOR EDUCATION

ARTICLE I

Purpose and Policy

(A) It is the purpose of this compact to:

(1) Establish and maintain close cooperation and understanding among executive, legislative, professional educational and lay leadership on a nationwide basis at the state and local levels.

(2) Provide a forum for the discussion, development, crystalization and recommendation of public policy alternatives in the field of education.

(3) Provide a clearing house of information on matters relating to educational problems and how they are being met in different places throughout the nation, so that the executive and legislative branches of state government and of local communities may have ready access to the experience and record of the entire country, and so that both lay and professional groups in the field of education may have additional avenues for the sharing of experience and the interchange of ideas in the formation of public policy in education.

(4) Facilitate the improvement of state and local educational systems so that all of them will be able to meet adequate and desirable goals in a society which requires continuous qualitative and quantitative advance in educational opportunities, methods and facilities.

(B) It is the policy of this compact to encourage and promote local and state initiative in the development, maintenance, improvement and administration of educational systems and institutions in a manner which will accord with the needs and advantages of diversity among localities and states.

(C) The party states recognize that each of them has an interest in the quality and quantity of education furnished in each of the other states, as well as in the excellence of its own educational systems and institutions, because of the highly mobile character of individuals within the nation, and because the products and services contributing to the health, welfare and economic advancement of each state are supplied in significant part by persons educated in other states.

ARTICLE II

State Defined

As used in this compact, "state" means a state, territory or possession of the United States, the District of Columbia, or the Commonwealth of Puerto Rico.

ARTICLE III

The Commission

(A) The education commission of the states, hereinafter called "the commission," is hereby established. The commission shall consist of seven members representing each party state. One of such members shall be the governor; two shall be members of the state legislature selected by its respective houses and serving in such manner as the legislature may determine; and four shall be appointed by and serve at the pleasure of the governor, unless the laws of the state otherwise provide. If the laws of a state prevent legislators from serving on the commission, six members shall be appointed and serve at the pleasure of the governor, unless the laws of the state otherwise provide. In addition to any other principles or requirements which a state may establish for the appointment and service of its members of the commission, the guiding principle for the composition of the membership on the commission from each party state shall be that the members representing such state shall, by virtue of their training, experience, knowledge or affiliations be in a position collectively to reflect broadly the interests of the state government, higher education, the state education system, local education, lay and professional, public and non-public educational leadership. Of those appointees, one shall be the head of a state agency or institution, designated by the governor, having responsibility for one or more programs of public education. In addition to the members of the commission representing the party states, there may be not to exceed ten nonvoting commissioners selected by the steering committee for terms of one year. Such commissioners shall represent leading national organizations of professional educators or persons concerned with educational administration.

(B) The members of the commission shall be entitled to one vote each on the commission. No action of the commission shall be binding unless taken at a meeting at which a majority of the total number of votes on the commission are cast in favor thereof. Action of the commission shall be only at a meeting at which a majority of the commissioners are present. The commission shall meet at least once a year. In its bylaws, and subject to such directions and limitations as may be contained therein, the commission may delegate the exercise of any of its powers to the steering committee or the executive director, except for the power to approve budgets or requests for appropriations, the power to make policy recommendations pursuant to article IV and adoption of the annual report pursuant to article III (J).

(C) The commission shall have a seal.

(D) The commission shall elect annually, from among its members, a chairman, who shall be a governor, a vice chairman and a treasurer. The commission shall provide for the appointment of an executive director. Such executive director shall serve at the pleasure of the commission, and together with the treasurer and such

other personnel as the commission may deem appropriate shall be bonded in such amount as the commission shall determine. The executive director shall be secretary.

(E) Irrespective of the civil service, personnel or other merit system laws of any of the party states, the executive director subject to the approval of the steering committee shall appoint, remove or discharge such personnel as may be necessary for the performance of the functions of the commission, and shall fix the duties and compensation of such personnel. The commission in its bylaws shall provide for the personnel policies and programs of the commission.

(F) The commission may borrow, accept or contract for the services of personnel from any party jurisdiction, the United States, or any subdivision or agency of the aforementioned governments, or from any agency of two or more of the party jurisdictions or their subdivisions.

(G) The commission may accept for any of its purposes and functions under this compact any and all donations, and grants of money, equipment, supplies, materials and services, conditional or otherwise, from any state, the United States, or any other governmental agency, or from any person, firm, association, foundation, or corporation, and may receive, utilize and dispose of the same. Any donation or grant accepted by the commission pursuant to this paragraph or services borrowed pursuant to paragraph (F) of this article shall be reported in the annual report of the commission. Such report shall include the nature, amount and conditions, if any, of the donation, grant, or services borrowed, and the identity of the donor or lender.

(H) The commission may establish and maintain such facilities as may be necessary for the transacting of its business. The commission may acquire, hold, and convey real and personal property and any interest therein.

(I) The commission shall adopt bylaws for the conduct of its business and shall have the power to amend and rescind these bylaws. The commission shall publish its bylaws in convenient form and shall file a copy thereof and a copy of any amendment thereto, with the appropriate agency or officer in each of the party states.

(J) The commission annually shall make to the governor and legislature of each party state a report covering the activities of the commission for the preceding year. The commission may make such additional reports as it may deem desirable.

ARTICLE IV

Powers

In addition to authority conferred on the commission by other provisions of the compact, the commission shall have authority to:

(1) Collect, correlate, analyze and interpret information and data concerning educational needs and resources.

(2) Encourage and foster research in all aspects of education, but with special reference to the desirable scope of instruction, organization, administration, and instructional methods and standards employed or suitable for employment in public educational systems.

(3) Develop proposals for adequate financing of education as a whole and at each of its many levels.

(4) Conduct or participate in research of the types referred to in this article in any instance where the commission finds that such research is necessary for the advancement of the purposes and policies of this compact, utilizing fully the resources of national associations, regional compact organizations for higher education, and other agencies and institutions, both public and private.

(5) Formulate suggested policies and plans for the improvement of public education as a whole, or for any segment thereof, and make recommendations with respect thereto available to the appropriate governmental units, agencies and public officials.

(6) Do such other things as may be necessary or incidental to the administration of any of its authority or functions pursuant to this compact.

ARTICLE V

Cooperation with Federal Government

(A) If the laws of the United States specifically so provide, or if administrative provision is made therefor within the federal government, the United States may be represented on the commission by not to exceed ten representatives. Any such representative or representatives of the United States shall be appointed and serve in such manner as may be provided by or pursuant to federal law, and may be drawn from any one or more branches of the federal government, but no such representative shall have a vote on the commission.

(B) The commission may provide information and make recommendations to any executive or legislative agency or officer of the federal government concerning the common educational policies of the states, and may advise with any such agencies or officers concerning any matter of mutual interest.

ARTICLE VI

Committees

(A) To assist in the expeditious conduct of its business when the full commission is not meeting, the commission shall elect a steering committee of 32 members which, subject to the provisions of this compact and consistent with the policies of the commission, shall be constituted and function as provided in the bylaws of the commission. One-fourth of the voting membership of the steering committee shall consist of governors, one-fourth shall consist of legislators, and the remainder shall consist of other members of the commission. A federal representative on the commission may serve with the steering committee, but without vote. The voting members of the steering committee shall serve for terms of two years, except that members elected to the first steering committee of the commission shall be elected as follows: 16 for one year and 16 for two years. The chairman, vice chairman, and treasurer of the commission shall be members of the steering committee and, anything in this paragraph to the contrary notwithstanding, shall serve during their continuance in these offices. Vacancies in the steering committee shall not affect its authority to act, but the commission at its next regularly ensuing meeting following the occurrence of any vacancy shall fill it for the unexpired term. No person shall serve more than two terms as a member of the steering committee; provided that service for a partial term of one year or less shall not be counted toward the two term limitation.

(B) The commission may establish advisory and technical committees composed of state, local, and federal officials, and private persons to advise it with respect to any one or more of its functions. Any advisory or technical committee may, on request of the states concerned, be established to consider any matter of special concern to two or more of the party states.

(C) The commission may establish such additional committees as its bylaws may provide.

ARTICLE VII

Finance

(A) The commission shall advise the governor or designated officer or officers of each party state of its budget and estimated expenditures for such period as may be required by the laws of that party state. Each of the commission's budgets of estimated expenditures shall contain specific recommendations of the amount or amounts to be appropriated by each of the party states.

(B) The total amount of appropriation requests under any budget shall be apportioned among the party states. In making such apportionment, the commission shall devise and employ a formula which takes equitable account of the populations and per capita income levels of the party states.

(C) The commission shall not pledge the credit of any party states. The commission may meet any of its obligations in whole or in part with funds available to it pursuant to article III (G) of this compact, provided that the commission takes specific action setting aside such funds prior to incurring an obligation to be met in whole or in part in such manner. Except where the commission makes use of funds available to it pursuant to article III (G) thereof, the commission shall not incur any obligation prior to the allotment of funds by the party states adequate to meet the same.

(D) The commission shall keep accurate accounts of all receipts and disbursements. The receipts and disbursements of the commission shall be subject to the audit and accounting procedures established by its bylaws. However, all receipts and disbursements of funds handled by the commission shall be audited yearly by a qualified public accountant, and the report of the audit shall be included in and become part of the annual reports of the commission.

(E) The accounts of the commission shall be open at any reasonable time for inspection by duly constituted officers of the party states and by any persons authorized by the commission.

(F) Nothing contained herein shall be construed to prevent commission compliance with laws relating to audit or inspection of accounts by or on behalf of any government contributing to the support of the commission.

ARTICLE VIII

Eligible Parties

Entry Into and Withdrawal

(A) This compact shall have as eligible parties all states, territories, and possessions of the United States, the District of Columbia, and the Commonwealth of Puerto Rico. In respect of any such jurisdiction not having a governor, the term "governor," as used in this compact, shall mean the closest equivalent official of such jurisdiction.

(B) Any state or other eligible jurisdiction may enter into this compact and it shall become binding thereon when it has adopted the same: Provided that in order to enter into initial effect, adoption by at least ten eligible party jurisdictions shall be required.

(C) Adoption of the compact may be either by enactment thereof or by adherence thereto by the governor; provided that in the absence of enactment, adherence by the governor shall be sufficient to make his state a party only until December 31, 1967. During any period when a state is participating in this compact through gubernatorial action, the governor shall appoint those persons who, in addition to himself, shall serve as the members of the commission from his state, and

shall provide to the commission an equitable share of the financial support of the commission from any source available to him.

(D) Except for a withdrawal effect on December 31, 1967 in accordance with paragraph (C) of this article, any party state may withdraw from this compact by enacting a statute repealing the same, but no such withdrawal shall take effect until one year after the governor of the withdrawing state has given notice in writing of the withdrawal to the governors of all other party states. No withdrawal shall affect any liability already incurred by or chargeable to a party state prior to the time of such withdrawal.

ARTICLE IX

Construction and Severability

This compact shall be liberally construed so as to effectuate the purposes thereof. The provisions of this compact shall be severable and if any phrase, clause, sentence or provision of this compact is declared to be contrary to the constitution of any state or of the United States, or the application thereof to any government, agency, person or circumstance is held invalid, the validity of the remainder of this compact and the applicability thereof to any government, agency, person or circumstance shall not be affected thereby. If this contract shall be held contrary to the constitution of any state participating therein, the compact shall remain in full force and effect as to the state affected as to all severable matters.

History: 1967 c 394 s 1

121.82 EDUCATION COMMISSION.

Subdivision 1. Appointment of members. Legislative members of the education commission established in article III (A) are appointed as follows: One member of the house of representatives appointed by the speaker of the house for a term coinciding with the term of office of the member; one member of the senate appointed by the committee on committees for a two year term. Members of the education commission appointed by the governor are appointed for a term which coincides with the term of the appointing governor. Members appointed from the legislature and members appointed by the governor serve until their successors are appointed and qualified.

Subd. 2. Vacancies. Vacancies are filled by the appointing power. If the legislature is not in session, vacancies are filled as follows: A vacancy in the office held by a house member is filled by the last speaker of the house, or if he be not available, by the last chairman of the house rules committee; a vacancy in the office held by a senate member is filled by the last senate committee on committees or other appointing authority designated by the senate rules in case of a senate vacancy.

Subd. 3. Expenses. Members of the education commission serve without compensation for such service but are entitled to be paid their necessary expenses in carrying out their duties.

History: 1967 c 394 s 2; 1983 c 305 s 18

121.83 MINNESOTA EDUCATION COUNCIL.

There is hereby established the Minnesota education council composed of the members of the education commission of the states representing this state, and 16 other persons, two from each congressional district of which one shall be a legislator, appointed by the governor for terms coinciding with the term of the appointing governor. Persons other than legislators shall be selected so as to be broadly representative of professional and lay interests within this state having the responsi-

bilities for, knowledge with respect to, and interest in educational matters. The chairman shall be designated by the governor from among its members. The council shall meet on the call of the governor, but in any event the council shall meet not less than twice in each year. The council may consider any and all matters relating to recommendations of the education commission of the states and the activities of the members representing this state thereon, shall serve as a forum for major education policies, and shall serve to exchange information about important education activities of interest to all parties. Members of the council shall serve without salary, but shall be reimbursed for actual expenses incurred in attendance at meetings of the council.

History: 1967 c 394 s 3; 1971 c 179 s 1; 1974 c 83 s 1; 1976 c 149 s 26

121.84 FILING OF BYLAWS.

Pursuant to article III (I) of the compact, the commission shall file a copy of its bylaws and any amendment thereto with the secretary of state.

History: 1967 c 394 s 4

MIDWESTERN EDUCATION COMPACT

121.843 COMPACT.

The Midwestern Education Compact is hereby entered into and enacted into law with all jurisdictions legally joining therein, in the form substantially as follows:

MIDWESTERN EDUCATION COMPACT

ARTICLE I

Purpose

The purpose of the Midwestern Education Compact shall be to provide greater educational opportunities and services utilizing both public and private institutions through the establishment and efficient operation and maintenance of coordinated educational programs and services for the citizens residing in the several states which are parties to this compact, with the aim of furthering access to and choice of education.

ARTICLE II

Definitions

As used in this compact:

(A) "Compact area" means the geographic area encompassing the compacting states.

(B) "Education" shall include those programs and services relating to higher education, post-secondary education, and vocational education.

(C) "Supplemental agreement" means those agreements to the compact which add to or extend this compact and which do not change or modify the text of this compact and which are not inconsistent with the provisions of this compact.

(D) "Amendment" means a change in the text of the compact, including additions or deletions.

ARTICLE III

The Board

(A) The compacting states hereby create the Midwestern Education Board, hereinafter called the board. The board shall be a body corporate of each compacting state. The board shall have all the responsibilities, powers and duties set forth herein, including the power to sue and be sued, and such additional powers as may be conferred upon it by subsequent action of the respective legislatures of the compacting states in accordance with the terms of this compact.

(B) The board shall consist of five resident members of each state as follows: the governor or the governor's designee who shall serve during the tenure of office of the governor; two legislators, one from each house (except Nebraska, which may appoint two legislators from its Unicameral Legislature), who shall serve two-year terms and be appointed by the appropriate appointing authority in each house of the legislature; and two other citizens of each state, at least one of whom shall be selected from the field of education, to be chosen in a manner and for the term provided by law of the state.

(C) The board shall select annually, from among its members, a chairperson, a vice chairperson and a treasurer. A governor shall serve as chairperson during even-numbered years. A legislator shall serve as chairperson during odd-numbered years. Filling of vacancies in these offices shall be provided for in the bylaws.

(D) The board may appoint an executive director who shall serve at its pleasure and who also shall act as secretary, and who, together with the treasurer and such other personnel as the board may determine, shall be bonded in such amounts as the board may require.

(E) Irrespective of the civil service, personnel or other merit system laws of any of the compacting states, the board in its bylaws shall provide for the personnel policies and programs of the compact.

(F) The board may establish and maintain, independently of or in conjunction with any one or more of the compacting states, a suitable retirement system for its full-time employees. Employees of the board shall be eligible for social security coverage in respect of old age and survivors insurance provided that the board takes such steps as may be necessary pursuant to federal law to participate in such program of insurance as a governmental agency or unit. The board may establish and maintain or participate in such additional programs of employee benefits as may be appropriate.

(G) The board may borrow, accept, or contract for the services of personnel from any state or the United States or any subdivision or agency thereof, from any interstate agency, or from any institution, foundation, person, firm or corporation.

(H) The board may accept for any of its purposes and functions under this compact any and all donations, and grants of money, equipment, supplies, materials and services (conditional or otherwise) from any state or the United States or any subdivision or agency thereof, or interstate agency, or from any institution, foundation, person, firm, or corporation, and may receive, utilize and dispose of the same.

(I) The board shall adopt a seal and suitable bylaws for its management and control.

(J) The board may establish and maintain an office within one or more of the compacting states.

(K) The board shall meet at least once each calendar year. The chairperson may call additional meetings and, upon the request of a majority of the board members of three or more compacting states, shall call additional meetings. Public notice shall be given of all meetings and meetings shall be open to the public.

(L) Each compacting state represented at any meeting of the board is entitled to one vote. A majority of the compacting states shall constitute a quorum for the transaction of business, unless a larger quorum is required by the bylaws of the board.

(M) The board shall submit a budget to the governor and legislature of each compacting state at such time and for such period as may be required. The budget shall contain specific recommendations of the amount or amounts to be appropriated by each of the compacting states.

(N) The board may establish such committees as it may deem necessary for the carrying out of its functions.

(O) The board may provide for actual and necessary expenses for attendance of its members at official meetings of the board or its designated committees.

ARTICLE IV

Powers of the Board

(A) The board may enter into contractual agreements with any educational institution in the compact area and with any of the compacting states to provide adequate programs and services in education for the citizens of the respective compacting states. The board shall, after negotiations with interested institutions and the compacting states, determine the cost of providing the programs and services in education for use in its contractual agreements. The contracting states shall contribute the funds not otherwise provided, as determined by the board, for carrying out the contractual agreements. The board may also serve as the administrative and fiscal agent in carrying out contractual agreements for educational programs and services.

(B) The board may enter into contractual agreements with any other interstate education organizations or agencies and with educational institutions not in the compact area and with any of the various states of these United States to provide adequate programs and services in education for the citizens of the respective compacting states. The board shall, after negotiations with interested institutions and interstate organizations or agencies, determine the cost of providing the programs and services in education for use in these contractual agreements.

(C) The board annually shall report to the member legislatures and governors, to the Midwestern Governors' Conference and the Midwestern Conference of the Council of State Governments covering the activities of the board for the preceding year, embodying such recommendations as may have been adopted by the board. The board shall also undertake studies of needs for educational programs and services in the compact area, the resources for meeting such needs, and the long-range effects of the compact on education, and from time to time to prepare reports on such research for presentation to the governors and legislatures of the compacting states and other interested parties. In conducting such studies, the board may confer with any national or regional planning body which may be established. The board may draft and recommend to the governors and legislatures of the various compacting states suggested legislation dealing with problems of education in the compact area as it deems advisable. By no later than the end of the fourth year from the effective date of the compact and every two years thereafter, the board shall review its accomplishments and make recommendations to the governors and legislatures of the compacting states on the continuance of the compact.

(D) Before any two or more states who are parties to this compact enter into an agreement between and among themselves providing for the establishment, financing and operation of educational services and programs, they shall submit such proposed

agreements for the timely informational review and comment by the board or its designated committee. Agreements in force on the date this compact becomes initially effective are exempt from this section.

(E) The board shall inventory educational services and programs and shall serve as a clearinghouse on information regarding educational activities among institutions and agencies.

(F) The board shall prepare and adopt, after such research and study as may be necessary, a comprehensive education guide for the compacting states. It shall consist of a compilation of policy statements, goals and standards prescribing guides for an orderly educational development of the compact area. The comprehensive development guide shall recognize and encompass educational needs of the compact area and those future developments which are of compact area significance. Upon completion, a report on the comprehensive education guide shall be made to the governor and legislature of each compacting state. The board shall review and update the education guide at least every five years.

(G) Any compacting state may request that the board review and comment on any proposed educational service which may have compact area educational significance or a substantial effect on compact area educational services. Within 90 days of receipt of the request, the board shall conduct its review of the submitted proposal and shall comment thereon. All comments shall include a statement of the relationship of the proposal to the comprehensive compact area education guide and of its impact upon the educational development of the compact area. In addition, the board may, on its own initiative, review and comment on matters it determines to be of compact area significance. Copies of each proposal comment shall be sent to the appropriate legislative officials of each compacting state.

(H) The board may provide consultative services to states and institutions.

ARTICLE V

Finance

(A) The moneys necessary to finance the general operations of the board not otherwise provided for in carrying forth its duties, responsibilities and powers as stated herein shall be appropriated to the board by the compacting states, when authorized by the respective legislatures, in the following manner: one-half of the total amount shall be apportioned among the compacting states in equal shares; the other half of the total amount shall be apportioned among the compacting states in accordance with the ratio of their populations to the total population of the entire group of compacting states. Populations shall be determined by the most recent federal census.

(B) The board shall not incur any obligations of any kind prior to the making of appropriations adequate to meet the same; nor shall the board pledge the credit of any of the compacting states, except by and with the authority of the compacting state.

(C) The board shall keep accurate accounts of all receipts and disbursements. The receipts and disbursements of the board shall be subject to the audit and accounting procedures established under its bylaws. However, all receipts and disbursements of funds handled by the board shall be audited yearly by a certified or licensed public accountant and the report of the audit shall be included in and become part of the annual report of the board.

(D) The accounts of the board shall be open at any reasonable time for inspection by duly authorized representatives of the compacting states and persons authorized by the board.

ARTICLE VI

Eligible Parties and Entry Into Force

(A) The states of Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, Oklahoma, South Dakota, West Virginia and Wisconsin, shall be eligible to become party to this compact. Additional states will be eligible if approved by a majority of compacting states.

(B) As to any eligible party state, this compact shall become effective when its legislature shall have enacted the same into law; provided that it shall not become initially effective until enacted into law by six states prior to December 31, 1981.

(C) Amendments to the compact shall become effective upon their enactment by the legislatures of all compacting states. A supplemental agreement to this compact shall become effective upon its approval by the board and upon its enactment by two or more of the legislatures of the compacting states and shall be in force for only those states enacting such supplemental agreement.

ARTICLE VII

Withdrawal, Default and Termination

(A) Any compacting state may withdraw from this compact by enacting a statute repealing the compact, but such withdrawal shall not become effective until two years after the enactment of such statute. A withdrawing state shall be liable for any obligations which it may have incurred on account of its party status up to the effective date of withdrawal, except that if the withdrawing state has specifically undertaken or committed itself to any performance of an obligation extending beyond the effective date of withdrawal, it shall remain liable to the extent of such obligation.

(B) If any compacting state shall at any time default in the performance of any of its obligations, assumed or imposed, in accordance with the provisions of this compact, all rights, privileges and benefits conferred by this compact or agreements hereunder, shall be suspended from the effective date of such default as fixed by the board, and the board shall stipulate the conditions and maximum time for compliance under which the defaulting state may resume its regular status. Unless such default shall be remedied under the stipulations and within the time period set forth by the board, this compact may be terminated with respect to such defaulting state by affirmative vote of a majority of the other member states. Any such defaulting state may be reinstated by performing all acts and obligations as originally stipulated by the board.

ARTICLE VIII

Severability and Construction

The provisions of this compact and of any supplementary agreement entered into hereunder shall be severable and if any phrase, clause, sentence or provision of this compact or such supplementary agreement is declared to be contrary to the constitution of any compacting state or of the United States or the applicability thereof to any government, agency, person, or circumstance is held invalid, the validity of the remainder of this compact or such supplementary agreement and the applicability thereof to any government, agency, person or circumstance shall not be affected thereby. If this compact or any supplementary agreement entered into hereunder shall be held contrary to the constitution of any compacting state, the compact or such supplementary agreement shall remain in full force and effect as to the remaining states and in full force and effect as to the state affected as to all

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severable matters. The provisions of this compact and of any supplementary agreement entered into pursuant hereto shall be liberally construed to effectuate the purposes thereof.

History: 1978 c 718 s 1

121.844 MEMBERS OF THE BOARD.

Subdivision 1. **Appointment.** Legislative members of the Midwestern Education Board established in article III of the Midwestern Education Compact are appointed as follows: one member of the house of representatives appointed by the speaker of the house for a term coinciding with the term of office of the member; one member of the senate appointed by the subcommittee on committees of the rules and administration committee for a two-year term. Two citizen members, one of whom shall be from the field of education, shall be appointed by the governor for a term which coincides with the term of the appointing governor. Members appointed from the legislature and members appointed by the governor serve until their successors are appointed and qualified.

Subd. 2. **Vacancies.** Vacancies are filled by the appointing power. If the legislature is not in session, vacancies in the office of legislative members are filled as follows: A vacancy in the office held by a house member is filled by the last speaker of the house, or if he be not available, by the last chairman of the house rules committee; a vacancy in the office held by a senate member is filled by the last senate subcommittee on committees of the rules and administration committee or other appointing authority designated by the senate rules in case of a senate vacancy.

History: 1978 c 718 s 2; 1983 c 305 s 19

121.845 FILING OF BYLAWS AND AMENDMENTS.

The Midwestern Education Board shall file a copy of its bylaws and any amendment thereto with the secretary of state.

History: 1978 c 718 s 3

COMMUNITY EDUCATION PROGRAMS

121.85 PURPOSE.

The purpose of sections 121.85 to 121.88 is to make maximum use of the public schools of Minnesota by the community and to expand utilization by the school of the human resources of the community, by establishing a community education program.

History: 1971 c 900 s 1; 1976 c 239 s 26; 1980 c 609 art 4 s 22

121.86 ADMINISTRATION.

There is hereby created within the department of education the position of state director of community education programs who shall administer sections 121.85 to 121.88 subject to the control of the state board of education. The director shall prepare and submit to the board recommended rules defining program areas, aid payment procedures, and any other requirements relevant to the promotion, implementation, and operation of community education programs throughout the state. The board shall adopt such recommended rules as it deems necessary and appropriate to forward the purposes of sections 121.85 to 121.88.

History: 1971 c 900 s 2; 1976 c 239 s 27; 1978 c 706 s 9; 1980 c 609 art 4 s 22

121.87 STATE COMMUNITY EDUCATION ADVISORY COUNCIL.

Subdivision 1. The state board of education may appoint a community education advisory task force for the purpose of promoting the furtherance of sections 121.85 to 121.88, and the advancement of educational, recreational and social opportunity through the maximum utilization of public school facilities throughout the state of Minnesota. If appointed, the task force shall include at least one member from each congressional district and members who represent government and professions most closely related to community education activities, functions and school administrative jurisdictions.

Subd. 2. [Repealed, 1983 c 260 s 68]

Subd. 3. The task force shall expire and the terms, compensation, and removal of members shall be as provided in section 15.059.

History: 1971 c 900 s 3; 1975 c 315 s 9,10; 1976 c 239 s 28; 1980 c 609 art 4 s 22; 1983 c 260 s 24,25

121.88 DISTRICT PROGRAMS; CITIZENS ADVISORY COUNCIL.

Subdivision 1. The board of education of each school district of the state is hereby authorized to initiate a community education program in its district and to provide for the general supervision of said program. Each board may, as it considers appropriate, employ community education directors and coordinators to further the purposes of the community education program. The salaries of the directors and coordinators shall be paid by the board.

Subd. 2. Each board shall provide for a citizens advisory council to consist of members who represent: the various service organizations; churches; private schools; local government; park, recreation or forestry services of municipal or local government units located in whole or in part within the boundaries of the school district; and any other groups participating in the community education program in the school district.

Subd. 3. The council shall function in cooperation with the community education director in an advisory capacity in the interest of promoting the goals and objectives of sections 121.85 to 121.88.

Subd. 4. Each council shall adopt a policy to reduce and eliminate program duplication within the district.

Subd. 5. **Summer school programs.** Notwithstanding any law to the contrary, during the summer a school district may offer community education programs to elementary and secondary pupils. The district may use community education revenue received pursuant to sections 124.271 and 275.125, subdivision 8 and charge fees for the cost of the programs.

History: 1971 c 900 s 4; 1976 c 239 s 29; 1977 c 447 art 4 s 1; 1980 c 609 art 4 s 22; 1982 c 548 art 6 s 1

121.882 EARLY CHILDHOOD AND FAMILY EDUCATION PROGRAMS.

Subdivision 1. **Establishment.** A district that provides a community education program may establish an early childhood and family education program. Two or more districts, each of which provides a community education program, may cooperate to jointly provide an early childhood and family education program.

Subd. 2. **Program characteristics.** Early childhood and family education programs are programs for children in the period of life from birth to kindergarten and for the parents of such children. The programs may include the following:

- (1) programs to educate parents about the physical, mental, and emotional development of children;
- (2) programs to enhance the skills of parents in providing for their children's learning and development;
- (3) learning experiences for children and parents;
- (4) activities designed to detect children's physical, mental, emotional, or behavioral problems that may cause learning problems;
- (5) educational materials which may be borrowed for home use;
- (6) information on related community resources; or
- (7) other programs or activities.

The programs shall not include activities for children that do not require substantial involvement of the children's parents.

Subd. 3. Separate accounts. The district shall maintain a separate account within the community education fund for money for early childhood and family education programs.

Subd. 4. Participants' fees. A district may charge a reasonable fee but it shall waive the fee for a participant unable to pay.

Subd. 5. Additional funding. A district may receive funds from any governmental agency or private source.

Subd. 6. Coordination. A district is encouraged to coordinate the program with its special education and vocational education programs and with related services provided by other governmental agencies and nonprofit agencies.

Subd. 7. District advisory councils. The school board shall appoint an advisory council from the area in which the program is provided. A majority of the council shall be parents participating in the program. The council shall assist the board in developing, planning, and monitoring the early childhood and family education program. The council shall report to the school board and the community education advisory council.

Subd. 8. Teachers. A school board shall employ necessary qualified teachers for its early childhood and family education programs.

Subd. 9. Assistance. The department of education shall provide assistance to districts with programs described in this section.

Subd. 10. Rules. The state board of education may adopt rules about program facilities, staff, services, and procedures.

History: 1984 c 463 art 4 s 1

NOTE: This section, as added by Laws 1984, chapter 463, article 4, section 1, is effective July 1, 1985. See Laws 1984, chapter 463, article 4, section 11.

121.89 [Repealed, 1975 c 432 s 97]

UNIFORM FINANCIAL ACCOUNTING AND REPORTING SYSTEM

121.90 DEFINITIONS.

Unless the context clearly indicates otherwise, the words, terms and phrases used in sections 121.901 to 121.917 have the meanings given to them in the manual for the uniform financial accounting and reporting system for Minnesota.

History: 1976 c 271 s 25; 1980 c 609 art 7 s 2; 1981 c 358 art 7 s 6

121.901 ADVISORY COUNCIL.

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

(1) Two employees of the state department of education appointed by the commissioner of education;

(2) An employee of the office of state auditor appointed by the state auditor;

(3) One licensed certified public accountant appointed by the state board of education;

(4) Nine persons who are representative of the various size school districts in the state and who are public school employees whose positions involve activities related to school financing and accounting, appointed by the state board.

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

Subd. 2. The council shall expire, and the terms, compensation and removal of members shall be as provided in section 15.059. The state board shall determine the length of terms of the initial members consistent with section 15.059.

Subd. 3. The council shall annually select a chairman and secretary from its membership. Meetings shall be held at the call of the chairman or any three members.

History: 1976 c 271 s 26

121.902 COUNCIL RECOMMENDATIONS.

Subdivision 1. The council shall recommend to the state board uniform financial accounting and reporting standards for school districts. The state board shall adopt and maintain uniform financial accounting and reporting standards which are consistent with sections 121.90 to 121.92 and with generally accepted accounting principles and practices. The standards so adopted shall be known as the uniform financial accounting and reporting standards for Minnesota school districts.

Subd. 1a. [Repealed, 1983 c 258 s 72]

Subd. 2. The state board shall meet the requirements of chapter 14 in the initial adoption and maintenance of these standards.

History: 1976 c 271 s 27; 1977 c 447 art 7 s 5; 1980 c 609 art 7 s 3; 1981 c 358 art 5 s 1; 1982 c 424 s 130

121.904 REVENUE; REPORTING.

Subdivision 1. School district revenues shall be recognized and reported on the district books of account in accordance with this section.

Subd. 2. **Applicability to period and fund.** Except as provided in this section, revenues shall be recorded in a manner which clearly indicates that they are applicable to a specific accounting period and fund.

Subd. 3. Receivables shall be recorded in a manner which clearly reflects the amounts of money due to a particular fund from public and private sources at the date of each accounting statement.

Subd. 4. **Recognized as receivable.** All current levies of local taxes, including portions assumed by the state, shall be recognized as receivable at the beginning of the calendar year during which collection normally takes place.

Subd. 4a. **Levy recognition.** (a) "School district tax settlement revenue" means the current, delinquent, and manufactured home property tax receipts

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collected by the county and distributed to the school district, including distributions made pursuant to section 279.37, subdivision 7, and excluding the amount levied pursuant to section 275.125, subdivision 9a, and Laws 1976, chapter 20, section 4.

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

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

(2) the sum of the state aids and credits enumerated in section 124.155, subdivision 2 which are for the fiscal year payable in that fiscal year plus 32 percent of the amount of the levy certified in the prior calendar year according to section 275.125, subdivision 2d, plus or minus auditor's adjustments, not including levy portions that are assumed by the state; or

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

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

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

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

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

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

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

Subd. 4b. Repealed, 1982 c 548 art 7 s 13

Subd. 4c. Property tax shift reduction. (a) For the purpose of this subdivision, "combined fund balance" means the sum of the fund balance determined by the commissioner of finance pursuant to section 9 of this article, after transfers to the education aids increase account, plus the balance in the education aids increase account.

(b) If the combined fund balance exceeds \$58,000,000, the levy recognition percent specified in subdivision 4a, clauses (b)(2) and (b)(3), shall be reduced for taxes payable in 1985 and thereafter according to the provisions of this subdivision.

(c) The levy recognition percent shall equal the result of the following computation: 32 percent, times the ratio of

(1) the statewide total amount of levy recognized in June 1985 pursuant to subdivision 4a, clause (b), reduced by the amount of the combined fund balance in excess of \$50,000,000, to

(2) the statewide total amount of the levy recognized in June 1985 pursuant to subdivision 4a, clause (b).

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The result shall be rounded up to the nearest whole percent. However, in no case shall the levy recognition percent be reduced below 24 percent.

Subd. 5. Foundation aid, endowment fund apportionment, and guarantee aid shall be recognized as revenue of the fiscal year for which the aids are designated by statute.

Subd. 6. Transportation aids, including depreciation aid, and any categorical aids not otherwise provided for in this section shall be recognized as revenue of the fiscal year for which these aids are designated by statute.

Subd. 7. **Summer school revenue.** Summer school aids and the proceeds of the summer school levy for any summer school session shall be recognized as revenues and recorded as receivables in proportion to the total number of summer school days in each fiscal year in which the summer school session occurs; provided that nothing in this subdivision shall be construed to provide for a different rate of aid than that provided in section 124.201.

Subd. 8. "Categorical reimbursement" aids are those aids for which the expenditures of the prior fiscal year are used only for determination of the amount. These aids shall be recognized as revenues and recorded as receivables in the fiscal year designated for payment.

Subd. 9. Interest shall be recognized in the fiscal year during which earned, and shall be allocated proportionally to the funds from which the resources were invested.

Subd. 10. Federal aids or grants shall be recognized as revenues and recorded as receivables in the fiscal year during which the eligible expenditures are recognized.

Subd. 11. State aids or grants, that are paid as a matching of an expenditure, shall be recognized as revenues and recorded as receivables in the fiscal year during which the eligible expenditure is recognized.

Subd. 11a. Beginning with payments received in fiscal year 1978, revenues received pursuant to sections 294.21 to 294.28; 298.23 to 298.28; 298.32; 298.34 to 298.39; 298.391 to 298.396; 298.405; 298.51 to 298.67; any law imposing a tax on severed mineral values or any other law distributing proceeds in lieu of ad valorem tax assessments on copper or nickel properties, shall be recognized as revenue in the school year received.

Subd. 11b. (1) Each district affected by the provisions of subdivision 11a shall account for and expend according to the provisions of this subdivision the total amount by which its 1976 payable 1977 and its 1977 payable 1978 permissible levies pursuant to sections 124A.03, 124A.06, subdivision 3a, 124A.08, subdivision 3a, 124A.10, subdivision 3a, 124A.12, subdivision 3a, 124A.14, subdivision 5a, and 275.125 were reduced on account of payments pursuant to sections 294.21 or 294.28; 298.23 to 298.28; 298.32; 298.34 to 298.39; 298.391 to 298.396; 298.405; 298.51 to 298.67; any law imposing a tax upon severed mineral values, or under any other law distributing proceeds in lieu of ad valorem tax assessments on copper or nickel properties. Notwithstanding the provisions of section 124A.035, subdivision 5, clause (2) and the provisions of section 275.125, subdivision 9, clause (2) or any other law to the contrary, this total amount shall not be applied to reduce the foundation aid which the district is entitled to receive pursuant to section 124A.02 or again be applied to reduce the permissible levies of the district.

(2) The lesser of the amount in (1) or an amount equal to \$200 times the pupil units in the district computed pursuant to section 124.17 for the 1977-1978 school year shall be reflected in an "appropriated fund balance reserve account for current use of taconite payments" which shall be established in the general fund. Each school year, beginning in 1978-1979, each affected district shall transfer an amount equal to \$20 times the number of pupil units in the district in 1977-1978 out of this

account into other operating accounts in the general fund, until the amount transferred equals the amount originally reflected in the reserve account; provided that in the last year in which the district is required to make this transfer, it shall transfer the balance of the reserve account, not to exceed an amount equal to \$20 times the number of pupil units in the district in 1977-1978. Notwithstanding the provisions of section 121.917, each affected district may use the amount so transferred each year to increase its expenditures above the amount it would otherwise be authorized to expend in that school year.

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

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

Subd. 11c. Payments received pursuant to section 477A.15 shall be recognized as revenue and recorded as a receivable in the fiscal year prior to receipt.

Subd. 12. Other revenues not specified in this section shall be recognized as revenue and shall be recorded in the fiscal year earned.

Subd. 13. Deviations from the principles set forth in this section shall be evaluated and explained in footnotes to audited financial statements.

Subd. 14. The state board shall specify the fiscal year or years to which the revenue from any aid or tax levy is applicable if Minnesota Statutes do not so specify.

History: 1976 c 271 s 28; 1978 c 764 s 11-13; 1979 c 303 art 10 s 3; 1981 c 358 art 1 s 2; art 7 s 7; 1981 c 365 s 9; 3Sp1981 c 2 art 4 s 1,2; 1982 c 548 art 3 s 4; art 7 s 1-3; 1982 c 642 s 17; 3Sp1982 c 1 art 3 s 1; 1983 c 216 art 1 s 26; 1983 c 314 art 1 s 22; art 13 s 1; 1984 c 463 art 9 s 1,2

121.906 EXPENDITURES; REPORTING.

Subdivision 1. School district expenditures shall be recognized and reported on the district books of account in accordance with this section.

Subd. 2. **Recognition of expenditures and liabilities.** There shall be fiscal year-end recognition of expenditures and the related offsetting liabilities recorded in each fund in accordance with the uniform financial accounting and reporting standards for Minnesota school districts. Encumbrances outstanding at the end of the fiscal year do not constitute expenditures or liabilities.

Subd. 3. **Purchase orders other than inventory.** Purchase orders, itemized in detail, for other than inventory supply items, which are issued to outside vendors and based on firm prices shall be recorded as expenditures in the fiscal year in which the liability is incurred.

Subd. 4. Inventory supply items may be recorded as expenditures at the time of the issuance of the purchase order or at the time of delivery to the school district's subordinate unit or other consumer of the item.

Subd. 5. Salaries and wages shall be recorded as expenditures in the fiscal year in which the personal services are performed.

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Subd. 6. Other payable items shall be recorded in the fiscal year in which the liability is incurred.

Subd. 7. Deviations from the principles set forth in this section shall be evaluated and explained in footnotes to audited financial statements.

History: 1976 c 271 s 29; 1980 c 609 art 7 s 4; 1981 c 358 art 7 s 8,9

121.908 REQUIREMENT FOR ACCOUNTING, BUDGETING AND REPORTING.

Subdivision 1. On or before June 30, 1977, each Minnesota school district shall adopt the uniform financial accounting and reporting standards for Minnesota school districts provided for in section 121.902.

Subd. 2. Each district shall submit to the commissioner by August 15 of each year an unaudited financial statement for the preceding fiscal year. This statement shall be submitted on forms prescribed by the commissioner after consultation with the advisory council on uniform financial accounting and reporting standards.

Subd. 3. By December 31 of the calendar year of the submission of the unaudited financial statement, the district shall provide to the commissioner and state auditor an audited financial statement prepared in a form which will allow comparison with and correction of material differences in the unaudited statement.

Subd. 3a. Prior to July 1 of each year, the school board of each district shall approve and adopt its revenue and expenditure budgets for the next school year. The budget document so adopted shall be considered an expenditure-authorizing or appropriations document. No funds shall be expended by any board or district for any purpose in any school year prior to the adoption of the budget document which authorizes that expenditure, or prior to an amendment to the budget document by the board to authorize the expenditure. Expenditures of funds in violation of this subdivision shall be considered unlawful expenditures.

Subd. 4. Each district shall submit to the department by August 15 of each year, on forms prescribed by the commissioner, the revenue and expenditure budgets adopted for that fiscal year.

Subd. 5. All governmental units formed by joint powers agreements entered into by districts pursuant to sections 120.17, 123.351, 471.59, or any other law and all educational cooperative service units shall be subject to the provisions of this section.

Subd. 6. A school district providing early retirement incentive payments under section 125.611, severance pay under section 465.72, or health insurance benefits to retired employees under section 471.61, must account for the payments according to uniform financial accounting and reporting standards adopted for Minnesota school districts pursuant to section 121.902.

History: 1976 c 271 s 30; 1977 c 447 art 7 s 7; 1980 c 609 art 7 s 5; 1982 c 548 art 4 s 5; 1983 c 314 art 7 s 7; 1984 c 463 art 7 s 3

121.911 CASH FLOW; SCHOOL DISTRICT REVENUES; BORROWING FOR CURRENT OPERATING COSTS.

Subdivision 1. The commissioner of finance shall remit all payments of state aids to school districts in conformance with the dates provided by law or, when not so provided, with a schedule of aid payments to be established by the commissioner of education in consultation with other affected state agencies.

Subd. 2. The auditors or finance officers of Minnesota counties shall remit all payments of taxes to the school districts in conformance with the provisions of section 276.11. School districts which have need for tax remittance advances may

secure them from the counties by making formal requests in conformance with section 276.11.

Subd. 3. Minnesota school districts may issue tax and aid anticipation certificates in conformance with the provisions of sections 124.71 to 124.781, with the additional provision that the proceeds of such borrowing or any other method of borrowing shall be recorded as liabilities of funds for which the taxes were levied, or for which the aids are receivable. Nothing in this subdivision shall provide authority for borrowing against the tax levies and aids of one school district fund for the purpose of increasing the available cash balance of another fund.

Subd. 4. Unless otherwise provided by law, no district shall, for the purpose of increasing the available cash balance of another fund, borrow or transfer funds from the building construction fund, debt redemption fund, trust and agency fund, or from any sinking fund for outstanding bonds issued for any purpose. However, if the contemplated use for which funds were originally placed in the building construction fund or a sinking fund is afterwards abandoned or if a balance remains after the use is accomplished, a district may devote these funds as provided in section 475.65. For the purpose of insuring fund integrity, if the commissioner determines that a district is in violation of this subdivision or section 121.904, he shall require that such district maintain separate bank accounts for building construction funds, debt redemption funds, trust and agency funds, and sinking funds for outstanding bonds. Nothing in this subdivision shall be construed to prohibit the use of common bank accounts for other funds unless prohibited by law.

Subd. 5. **Deficit for capital projects.** Upon approval by the commissioner of education, a district may incur a deficit in the capital expenditure fund for a period not to exceed three years to provide money for capital projects. A description of the project and a financial plan to recover the deficit shall be approved by the commissioner prior to the initiation of the project.

History: 1976 c 271 s 31; 1983 c 314 art 6 s 2

121.912 PERMANENT FUND TRANSFERS.

Subdivision 1. **Limitations.** No school district shall permanently transfer money from an operating fund to a nonoperating fund except as provided in this subdivision. Permanent transfers may be made from an operating fund to any other fund to correct for prior fiscal years' errors discovered after the books have been closed for that year. Permanent transfers may be made from the general fund to eliminate deficits in another fund when that other fund is being discontinued. When a district discontinues operation of a district-owned bus fleet or a substantial portion of a fleet, permanent transfers may be made from the fund balance account entitled "pupil transportation fund appropriated for bus purchases" to the capital expenditure fund, with the approval of the commissioner. The levy authorized pursuant to section 275.125, subdivision 11a, shall be reduced by an amount equal to the amount transferred.

Subd. 1a. **AVTIs.** Money shall not be transferred from the post-secondary general fund to any other operating or nonoperating fund.

Subd. 2. As used in this section, "operating fund" and "nonoperating fund" shall have the meanings specified in the uniform financial accounting and reporting standards for Minnesota school districts. Any transfer for a period in excess of one year shall be deemed to be a permanent transfer.

Subd. 3. **Deficits; exception.** For the purposes of this section, a permanent transfer includes creating a deficit in a nonoperating fund for a period past the end of the current fiscal year which is covered by moneys in an operating fund.

However, a deficit in the capital expenditure fund pursuant to section 121.911, subdivision 5, shall not constitute a permanent transfer.

Subd. 4. Account transfer for statutory operating debt. On June 30 of each year, a district may make a permanent transfer from the general fund account entitled "unappropriated fund balance since statutory operating debt" to the account entitled "appropriated fund balance reserve account for purposes of reducing statutory operating debt." The amount of the transfer is limited to the lesser of (a) the net unappropriated operating fund balance, or (b) the sum of the remaining statutory operating debt levies authorized for all future years according to section 275.125, subdivision 9a. If the net unappropriated operating fund balance is less than zero, the district may not make a transfer.

History: 1977 c 447 art 7 s 8; 1978 c 764 s 14; 1979 c 334 art 5 s 2; 1980 c 609 art 6 s 7,8; art 7 s 6; 1981 c 358 art 7 s 10; 1982 c 548 art 5 s 1; 1983 c 314 art 5 s 1; 1983 c 314 art 6 s 3; 1984 c 463 art 7 s 4

121.914 STATUTORY OPERATING DEBT.

Subdivision 1. The "operating debt" of a school district means the net negative unappropriated fund balance in all school district funds, other than capital expenditure, building construction, debt service, trust and agency, and post-secondary vocational-technical education funds, calculated as of June 30 of each year in accordance with the uniform financial accounting and reporting standards for Minnesota school districts.

Subd. 2. If the amount of the operating debt is more than two and one-half percent of the most recent fiscal year's expenditure amount for the funds considered under subdivision 1, the net negative unappropriated fund balance shall be defined as "statutory operating debt" for the purposes of this section and sections 121.917 and 275.125, subdivision 9a.

Subd. 3. The commissioner shall establish a uniform auditing or other verification procedure for school districts to determine whether a statutory operating debt exists in any Minnesota school district as of June 30, 1977. This procedure shall also identify all interfund transfers made during fiscal year 1977 from a fund included in computing statutory operating debt to a fund not included in computing statutory operating debt. The standards for this uniform auditing or verification procedure shall be promulgated by the state board pursuant to chapter 14. If a school district applies to the commissioner for a statutory operating debt verification or if the unaudited financial statement for the school year ending June 30, 1977 reveals that a statutory operating debt might exist, the commissioner shall require a verification of the amount of the statutory operating debt which actually does exist.

Subd. 4. If an audit or other verification procedure conducted pursuant to subdivision 3 determines that a statutory operating debt exists, a district shall follow the procedures set forth in section 275.125, subdivision 9a to eliminate this statutory operating debt.

Subd. 5. The commissioner of education shall certify the amount of statutory operating debt for each school district. Prior to June 30, 1979, the commissioner may, on the basis of corrected figures, adjust the total amount of statutory operating debt certified for any district.

Subd. 6. On January 15, 1998, the commissioner of education shall report to the legislature on the districts for which the levy allowable under section 275.125, subdivision 9a has been insufficient to eliminate the statutory operating debt of the district, determined as of June 30, 1977.

Subd. 7. This section and the provisions of section 275.125, subdivision 9a shall be applicable only to common, independent, and special school districts and

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districts formed pursuant to Laws 1967, Chapter 822, as amended, and Laws 1969, Chapters 775 and 1060, as amended. This section and the provisions of section 275.125, subdivision 9a shall not apply to Independent School District No. 625.

Subd. 8. Any district eligible to receive any amounts pursuant to section 275.125, subdivision 9a shall disclose its statutory operating debt retirement plan by footnote to the audited financial statement.

Subd. 9. The commissioner shall establish a uniform reporting procedure for school districts to determine whether a statutory operating debt exists in any Minnesota school district as of June 30, 1976, and to estimate the amount of such statutory operating debt. This procedure shall also identify all interfund transfers made during fiscal year 1976 from a fund included in computing statutory operating debt to a fund not included in computing statutory operating debt.

Subd. 10. (a) On or before January 1, 1977, the commissioner shall report to the legislature his findings concerning the amount of statutory operating debt for districts as of June 30, 1976, and interfund transfers during fiscal year 1976 which are identified pursuant to subdivision 9. This report shall include any information available to the commissioner regarding possible increases in statutory operating debt for districts between June 30, 1976, and June 30, 1977, and justifications for these increases.

(b) On or before January 1, 1978, the commissioner shall report to the legislature his findings concerning the amount of statutory operating debt for districts as of June 30, 1977, interfund transfers during fiscal year 1977 which are identified pursuant to subdivision 2, and actual increases in statutory operating debt for districts between June 30, 1976, and June 30, 1977.

History: 1976 c 271 s 32; 1977 c 447 art 7 s 9-12; 1980 c 609 art 7 s 7; 1982 c 424 s 130

121.917 EXPENDITURE LIMITATIONS.

Subdivision 1. (a) Beginning in fiscal year 1978 and in each year thereafter, a district which had statutory operating debt on June 30, 1977 pursuant to section 121.914 shall limit its expenditures in each fiscal year so that the amount of its statutory operating debt calculated at the end of that fiscal year is not greater than the amount of the district's statutory operating debt as of June 30, 1977, as certified and adjusted by the commissioner, increased by an amount equal to two and one-half percent of that district's operating expenditures for the fiscal year for which the statutory operating debt calculation is being made.

(b) When a district is no longer required to levy pursuant to section 275.125, subdivision 9a, subdivision 2 of this section shall be applicable.

Subd. 2. Beginning in fiscal year 1978 and each year thereafter, any district not subject to the provisions of subdivision 1 shall limit its expenditures so that its unappropriated fund balances shall not constitute statutory operating debt as defined in section 121.914.

Subd. 3. If a school district does not limit its expenditures in accordance with this section, the commissioner shall so notify the appropriate committees of the legislature by no later than January 1 of the year following the end of that fiscal year.

Subd. 4. (1) If the net negative unappropriated fund balance in all the funds of a school district, other than statutory operating debt pursuant to section 121.914, capital expenditure, building construction, debt service, trust and agency, and post-secondary vocational-technical education funds, calculated in accordance with the uniform financial accounting and reporting standards for Minnesota school districts, as of June 30 each year, is more than 2-1/2 percent of the year's

expenditure amount, the district shall, prior to September 15, submit a special operating plan to reduce the district's deficit expenditures to the commissioner of education for his approval.

Notwithstanding any other law to the contrary, a district submitting a special operating plan to the commissioner under this clause which is disapproved by the commissioner shall not receive any aid pursuant to chapter 124 until a special operating plan of the district is so approved.

(2) A district shall receive aids pending the approval of its special operating plan under clause (1). A district which complies with its approved operating plan shall receive aids as long as the district continues to comply with the approved operating plan.

History: 1976 c 271 s 33; 1977 c 447 art 7 s 13,14; 1979 c 334 art 6 s 5; 1980 c 609 art 7 s 8; 1981 c 358 art 7 s 11

121.92 [Repealed, 1980 c 609 art 7 s 18]

121.93 STATEWIDE EDUCATION MANAGEMENT INFORMATION SYSTEM; DEFINITIONS.

Subdivision 1. For purposes of sections 121.93 to 121.938, the terms defined in this section shall have the meanings attributed to them.

Subd. 2. "District" means a school district, an educational cooperative service unit, a cooperative center for vocational education, a cooperative center for special education, an area vocational-technical institute, or an intermediate service area.

Subd. 3. "ESV-IS" or "elementary, secondary and vocational education management information system" means that component of the statewide elementary, secondary and vocational education management information system which provides administrative data processing and management information services to districts.

Subd. 4. "SDE-IS" or "state department of education information system" means that component of the statewide elementary, secondary and vocational education management information system which provides data processing and management information services to the department of education.

Subd. 5. "ESV computer council" means the advisory council to the state board of education established in section 121.934.

History: 1980 c 609 art 7 s 9

121.931 STATEWIDE EDUCATION MANAGEMENT INFORMATION SYSTEM; STATE BOARD POWERS AND DUTIES.

Subdivision 1. **Components; governance.** The statewide elementary, secondary and vocational education management information system shall consist of the ESV-IS and the SDE-IS and shall be governed by the state board according to the provisions of sections 121.93 to 121.938.

Subd. 2. **Purposes.** The purposes of the statewide elementary, secondary and vocational education management information system shall be:

(a) To provide comparable and accurate educational information in a manner which is timely and economical;

(b) To provide a computerized research capability for analysis of education information;

(c) To provide school districts with an educational information system capability which will meet school district management needs; and

(d) To provide a capability for the collection and processing of educational information in order to meet the management needs of the state of Minnesota.

Subd. 3. **Systems architecture plan.** The state board, with the advice and assistance of the ESV computer council, shall develop a systems architecture plan for providing administrative data processing to school districts, the department of education, and the legislature. In developing the plan, the state board shall consider at least the following: user needs; systems design factors; telecommunication requirements; computer hardware technology; and alternative hardware purchase and lease arrangements. The plan shall be completed by September 1, 1981.

Subd. 4. **Long range plan.** The state board, with the advice and assistance of the ESV computer council, shall develop a long-range plan for providing administrative data processing to elementary, secondary, and vocational school districts, the department of education, and the legislature. In developing the plan, the state board shall consider at least the following: desirable major enhancements to the ESV-IS and SDE-IS; new system development proposals; new or modified approaches to provide support services to districts; the responsibility of regional management information centers to provide reports to the department on behalf of affiliated districts; and related development and implementation time schedules. The long-range plan shall address the feasibility and practicability of utilizing microcomputers, minicomputers, and larger computer systems. The preliminary plan shall be prepared by November 1, 1981, and the plan shall be completed by January 1, 1982. The plan shall be updated by September 15 of each even-numbered year. The long-range plan shall consist of one document and shall incorporate the systems architecture plan and all relevant portions of previous documents which have been referred to as the state computing plan.

Subd. 5. **Software development.** The state board, with the advice of the ESV computer council, shall provide for the development of applications software for ESV-IS and SDE-IS. The state board may provide state or federal funds for the development of software for an alternative management information system only if it determines that this system may have statewide applicability. Notwithstanding the foregoing, the state board may for innovative projects involving computers approve grants to districts pursuant to section 129B.04, Title IV of the Elementary and Secondary Education Act of 1965 as amended, or any other appropriate statute.

Subd. 6. **Data standards.** The state board shall adopt rules containing standards for financial, property, student and personnel/payroll data and any other data included in ESV-IS. For financial data, the uniform financial accounting and reporting standards adopted pursuant to section 121.902, subdivision 1, shall satisfy the requirement of this subdivision. For property data, the uniform property accounting and reporting standards adopted pursuant to section 121.902, subdivision 1a shall satisfy the requirement of this subdivision. The state board shall consider the recommendations of the advisory task forces on uniform data standards for student reporting and personnel/payroll reporting and the ESV computer council in adopting the standards for student data and personnel/payroll data. The state board shall ensure that the standards for different types of data are consistent with each other, and for this purpose shall consider the recommendations of the advisory task forces on uniform data standards for student reporting and personnel/payroll reporting, the advisory council on uniform financial accounting and reporting standards, and the ESV computer council. The data standards for each type of data shall include:

- (a) A standard set of naming conventions for data elements;
- (b) A standard set of data element definitions; and

(c) A standard transaction processing methodology which uses the defined data elements, specifies mathematical computations on those data elements and specifies output formats.

The state board, with the advice and assistance of the ESV computer council, shall monitor and enforce compliance with the data standards.

Subd. 7. Approval powers. The state board, with the advice and assistance of the ESV computer council, shall approve or disapprove the following, according to the criteria in section 121.937 and after promulgation, the rules adopted pursuant to subdivision 8:

(a) the creation of regional management information centers pursuant to section 121.935;

(b) the transfer by a district of its affiliation from one regional management information center to another;

(c) the use by a district of an alternative management information system to ESV-IS pursuant to section 121.936, subdivisions 2 to 4; and

(d) annual and biennial plans and budgets submitted by regional management information centers pursuant to section 121.935, subdivisions 3 and 4.

Subd. 8. Rules. The state board shall adopt rules prescribing criteria for its decisions pursuant to subdivision 7. These rules shall include at least the criteria specified in section 121.937. The state board shall also adopt rules specifying the criteria and the process for determining which data and data elements are included in the data element dictionary and the annual data acquisition calendar developed pursuant to section 121.932, subdivisions 1 and 2. The state board shall adopt rules requiring regional management information centers to use cost accounting procedures which will account by district for resources consumed at the center for support of each ESV-IS subsystem and of any approved alternative financial management information systems. The adoption of the systems architecture plan and the long range plan pursuant to subdivisions 3 and 4 shall be exempt from the administrative procedure act but, to the extent authorized by law to adopt rules, the board may use the provisions of section 14.38, subdivisions 5 to 9.

History: 1980 c 609 art 7 s 10; 1981 c 193 s 1-3; 1981 c 253 s 24; 1981 c 358 art 5 s 2; 1982 c 424 s 130; 1983 c 258 s 24

121.932 STATEWIDE EDUCATION MANAGEMENT INFORMATION SYSTEM; DEPARTMENT DUTIES.

Subdivision 1. Data element dictionary. The department of education shall maintain a current data element dictionary defining all data elements included in the the ESV-IS and the SDE-IS.

Subd. 2. Data acquisition calendar. The department of education shall maintain a current annual data acquisition calendar specifying the reports which districts are required to provide to the department, the reports which regional management information centers are required to provide to the department for their affiliated districts, and the dates when these reports are due.

Subd. 3. Exemption from chapter 14. Except as provided in section 121.931, subdivision 8, the development of the data element dictionary pursuant to subdivision 1, and the annual data acquisition calendar pursuant to subdivision 2, shall be exempt from the administrative procedure act but, to the extent authorized by law to adopt rules, the board may use the provisions of section 14.38, subdivisions 5 to 9.

Subd. 4. SDE-IS. The department shall develop and operate the SDE-IS with the advice and assistance of the ESV computer council. The SDE-IS shall include: (a) information required by federal or state law or rule; and (b) information

needed by the divisions of the department in order to disburse funds, to implement research or special projects approved by the commissioner, and to meet goals or provide information required by the state board, the governor, the legislature or the federal government. The department shall consult the advisory council on uniform financial accounting and reporting standards, the advisory task forces on student reporting and payroll/personnel reporting, and representatives of the senate and the house of representatives and of each division of the department, about needs for information from SDE-IS.

History: 1980 c 609 art 7 s 11; 1981 c 253 s 25; 1982 c 424 s 130

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

Subdivision 1. **Permitted delegations.** The state board and the department may provide, by the delegation of powers and duties or by contract, for the implementation and technical support of ESV-IS and SDE-IS, including the development of applications software pursuant to section 121.931, subdivision 5, by the Minnesota educational computing consortium, by a regional management information center or by any other appropriate provider.

Subd. 2. **Prohibited delegations.** The state board and the department may not delegate to the Minnesota educational computing consortium any of their powers and duties to develop policy and to plan for ESV-IS and SDE-IS, to monitor and enforce compliance with rules and data standards, or to approve the actions of districts and regions. Powers and duties which may not be delegated include the powers and duties in section 121.931, subdivisions 3, 4, 6, 7, and 8 and section 121.932, subdivisions 1 and 2.

History: 1980 c 609 art 7 s 12

121.934 ESV COMPUTER COUNCIL.

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

Subd. 2. **Membership.** The council shall be composed of:

(a) four representatives of school districts, including one school district administrator from a rural school district, one school district administrator from an urban school district, one school board member from a rural school district, and one school board member from an urban school district;

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

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

(d) one person from the general public.

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

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Subd. 3. **Status changes.** The position of a member who leaves Minnesota or whose employment status changes to a category different from that for which he was appointed shall be deemed vacant.

Subd. 4. **Officers.** The council shall elect a chairman and such other officers as it may deem necessary.

Subd. 5. **Meetings.** The ESV computer council shall meet regularly at such times and places as the council shall determine. Meetings shall be called by the chairman or at the written request of any six members.

Subd. 6. **Staff and support services.** The state board shall employ with the concurrence of the council one professional individual, experienced in managing data processing services, who shall be in the unclassified civil service, who shall not be a member of the council, and who shall provide staff assistance to the council. The state board shall provide all necessary materials and assistance for the transaction of the business of the council. The expenses of undertaking the duties in this section shall be paid for from appropriations made to the state board of education.

Subd. 7. **Advisory duties.** (a) Pursuant to section 121.931, the ESV computer council shall advise and assist the state board in:

- (1) the development of the long range plan and the systems architecture plan;
- (2) the development of applications software for ESV-IS and SDE-IS;
- (3) the approval of the creation and alteration of regional management information centers;
- (4) the approval of the use by districts of alternative management information systems;
- (5) the statewide applicability of alternative management information systems proposed by districts; and
- (6) the approval of annual and biennial plans and budgets of regional management information centers; and
- (7) the monitoring and enforcement of compliance with data standards.

(b) The council shall also review the data standards recommended by the council on uniform financial accounting and reporting standards and the advisory task forces on uniform standards for student reporting and personnel/payroll reporting and make recommendations to the state board concerning:

- (1) the consistency of the standards for finance, property, student and personnel/payroll data with one another;
- (2) the implications of the standards for implementation of ESV-IS and SDE-IS; and
- (3) the consistency of the standards with the systems architecture plan and the long-range plan.

(c) Pursuant to section 121.932, the council shall advise the department in the development and operation of SDE-IS.

History: 1980 c 609 art 7 s 13; 1981 c 358 art 5 s 3; 1983 c 258 s 25

121.935 REGIONAL MANAGEMENT INFORMATION CENTERS.

Subdivision 1. **Creation.** Any group of two or more independent, special or common school districts may with the approval of the state board pursuant to sections 121.931 and 121.937 create a regional management information center pursuant to section 123.58 or 471.59 to provide computer services to school districts. A regional management information center which is not in existence on July 1, 1979 shall not come into existence until the first July 1 of an odd-numbered year after its

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creation is approved by the state board or until it can be accommodated by state appropriations, whichever occurs first.

Subd. 2. Duties. Every regional management information center shall:

(a) Assist its affiliated districts in complying with the reporting requirements of the annual data acquisition calendar and the rules of the state board of education;

(b) Respond within 15 calendar days to requests from the department for district information provided to the region for state reporting of information, based on the data elements in the data element dictionary;

(c) Operate financial management information systems consistent with the uniform financial accounting and reporting standards for Minnesota school districts adopted by the state board pursuant to sections 121.90 to 121.917;

(d) Make available to districts the opportunity to participate fully in all the subsystems of ESV-IS;

(e) Before July 1, 1981, develop a plan for the provision of services during a system failure or a disaster;

(f) Comply with the requirement in section 121.908, subdivision 2, on behalf of districts affiliated with it; and

(g) Operate fixed assets property management information systems consistent with the uniform property accounting and reporting standards for Minnesota area vocational-technical institutes adopted by the state board pursuant to section 121.902, subdivision 1a.

Subd. 3. Annual plans and budgets. No regional management information center may expend funds for administrative or management computer activities unless it receives state board approval of an annual plan, budget and financial report for these activities pursuant to sections 121.931 and 121.937. The annual budget and financial report shall be in a common format specified by the department and approved by the department of finance for all regional management information centers and shall conform to the uniform financial accounting and reporting standards for school districts. The annual financial report shall be accompanied by a summary statement of the accounting by district of resources consumed in support of the ESV-IS subsystems and any other management information systems.

Subd. 4. Biennial budget estimates. Every regional management information center shall submit to the department by July 1 of each even-numbered year a biennial budget estimate for its administrative and management computer activities. The biennial budget estimates shall be in a program budget format and shall include all estimated and actual revenues, expenditures, and fund balances of the center for the appropriate fiscal years. Budget forms developed pursuant to section 16A.10 may be used for these estimates. The department of education shall assemble this budget information into a supplemental biennial budget summary for the statewide elementary, secondary, and vocational management information system. Copies of this supplemental biennial budget summary shall be provided to the ESV computer council and the department of finance, and shall be available to the legislature upon request.

Subd. 5. Regional subsidies. In any year when a regional management information center's annual plan and budget are approved pursuant to subdivision 3, the center shall receive a regional reporting subsidy grant from the department of education. The subsidy grant shall be in the amount allocated by the state board in the process of approving the annual budgets of the regional management information centers pursuant to subdivision 3. The amounts of the subsidy grants and an explanation of the allocation decisions shall be filed by the state board with the committees on education and finance of the senate and the committees on education and appropriations of the house of representatives.

For subsidy grants for fiscal year 1981 and for each fiscal year thereafter, the state board is encouraged to recognize that the diversity of regional management information centers precludes a formula-based allocation of subsidy grants, to promote equity and access to regional services in the allocation process, and to consider the following factors:

- (a) The number of students in districts affiliated with the center;
- (b) The number of districts affiliated with the center;
- (c) Fixed and overhead costs to be incurred in operating the regional center, the finance subsystem, the payroll/personnel subsystem, and the student support subsystem;
- (d) Variable costs to be incurred which differ in proportion to the number of districts served and the number of subsystems implemented for those districts;
- (e) Services provided to districts which enable the districts to meet state reporting requirements;
- (f) The cost of meeting the reporting requirements of subdivision 2 for districts using approved alternative management information systems; and
- (g) The number of districts affiliated with a regional management information center in relation to the geographic area occupied by those districts.

Subd. 6. **Fees.** Regional management information centers may charge fees to affiliated districts for the cost of services provided to the district and the district's proportionate share of outstanding regional debt. In no event shall the annual fee of a district participating in a state pilot program of an alternative financial management information system exceed the annual fee chargeable to the district in the absence of the pilot program.

History: 1980 c 609 art 7 s 14; 1981 c 358 art 5 s 4,5; 1984 c 463 art 7 s 5,6

121.936 SCHOOL DISTRICT MANAGEMENT INFORMATION SYSTEMS.

Subdivision 1. **Mandatory participation.** (a) By July 1, 1980, every district shall perform financial accounting and reporting operations on a financial management accounting and reporting system utilizing multi-dimensional accounts and records defined in accordance with the uniform financial accounting and reporting standards adopted by the state board pursuant to sections 121.90 to 121.92.

(b) By July 1, 1980, every school district shall be affiliated with one and only one regional management information center. This affiliation shall include at least the following components:

- (1) The center shall provide reports to the department of education for the district to the extent required by the data acquisition calendar;
- (2) The district shall use the ESV-IS finance subsystem through the center to process every detailed financial transaction of the district.

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

(c) The provisions of this subdivision shall not be construed to prohibit a district from purchasing services other than those described in clause (b) from a center other than the center with which it is affiliated pursuant to clause (b).

Districts operating an approved alternative system or participating in a state approved pilot test of an alternative financial system shall purchase finance system services from any region if the region of affiliation does not offer alternative system support services.

Subd. 1a. **Mandatory AVTI participation.** (a) By July 1, 1983, every area vocational-technical institute shall perform property accounting and reporting operations on a fixed assets property management accounting and reporting system utilizing fixed assets categories defined in accordance with the uniform property accounting and reporting standards adopted by the state board pursuant to section 121.902, subdivision 1a.

(b) Every area vocational-technical institute shall use the ESV-IS fixed assets property subsystem through the regional management information center to perform property accounting and reporting operations required by clause (a), and to provide data to the center pursuant to the data acquisition calendar.

Subd. 2. **Alternative management information systems.** After July 1, 1980 a district may be exempted from the requirement in subdivision 1, clause (b) (2), if it receives the approval of the state board to use an alternative financial management information system. A district permitted before July 1, 1980, to submit its financial transactions in summary form to a regional management information center pursuant to subdivision 1 may continue to submit transactions in the approved form without obtaining the approval of the state board pursuant to this subdivision. A district may be exempted from the requirement in subdivision 1a, clause (b) if it receives the approval of the state board to use an alternative fixed assets property management information system. Any district desiring to use an alternative management information system shall submit a detailed proposal to the state board, the ESV computer council and the regional management information center with which it is affiliated. The detailed proposal shall include a statement of all costs to the district, regional management information center or state for software development or operational services needed to provide data to the regional management information center pursuant to the data acquisition calendar.

Subd. 3. **Alternative management information systems; evaluation.** The regional management information center shall evaluate the district proposal according to the approval criteria in section 121.937, subdivision 1. The regional management information center shall submit its evaluation of the district proposal to the state board and the ESV computer council for their consideration in evaluating the proposal.

The ESV computer council shall evaluate the district proposal according to the approval criteria in section 121.937, subdivision 1, clauses (a), (b), and (d). Upon completion of the evaluation, the ESV computer council shall recommend to the state board that it (a) approve the proposal, (b) disapprove the proposal, or (c) approve the proposal if it is modified by the district in ways which are specified by the council.

Subd. 4. **Alternative systems; state board.** Upon approval of the proposal by the state board the district may proceed in accordance with its approved proposal. Except as provided in section 121.931, subdivision 5, an alternative system approved pursuant to this subdivision shall be developed and purchased at the expense of the district. A district which has submitted a proposal for an alternative system which has been disapproved may not submit another proposal for that fiscal year, but it may submit a proposal for the subsequent fiscal year.

Subd. 4a. By July 1, 1984, the department of education shall develop and implement an alternative reporting system for submission of financial data in summary form. This system shall accommodate the use of a microcomputer finance system to be developed and maintained by the department of education. The alternative reporting system must comply with sections 121.90 to 121.917. The provisions of this subdivision shall not be construed to require the department to purchase computer hardware nor to prohibit the department from purchasing

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services from any regional management information center or the Minnesota educational computing consortium.

Subd. 5. **Report to legislature.** The department shall report to the legislature in the biennial budget on the number and status of districts which have received approval to operate alternative systems.

Subd. 6. [Repealed, 1983 c 258 s 72]

History: 1980 c 609 art 7 s 15; 1981 c 358 art 5 s 6-8; 1983 c 314 art 7 s 8; 1984 c 463 art 7 s 7

121.937 CRITERIA.

Subdivision 1. The criteria adopted by the state board for approval of the creation of a regional management information center, the transfer of a school district's affiliation from one regional management information center to another, and the approval of an alternative management information system shall include:

(a) The provisions of the plans adopted by the state board pursuant to section 121.931, subdivisions 3 and 4;

(b) The cost effectiveness of the proposed center, transfer or alternative;

(c) The effect of the proposed center, transfer or alternative on existing regional management information centers; and

(d) Whichever of the following is applicable:

(i) The ability of a proposed center to comply with section 121.935, or the effect of a transfer on a center's ability to comply with section 121.935, or

(ii) The ability of a proposed alternative financial management information system to comply with section 121.936, subdivision 1, clauses (a) and (b) (1), or

(iii) The ability of a proposed alternative fixed assets property management information system to comply with section 121.936, subdivision 1, clause (b) (1), and section 121.936, subdivision 1a, clause (a).

Subd. 2. Criteria for approval of annual plans and budgets of a regional management information center shall include:

(a) The provisions of the plans adopted by the state board pursuant to section 121.931, subdivisions 3 and 4;

(b) The cost effectiveness of the services provided by the center; and

(c) The ability of the center to comply with section 121.935.

History: 1980 c 609 art 7 s 16; 1981 c 358 art 5 s 9

121.938 [Repealed, 1983 c 260 s 68]

121.96 [Repealed, 1982 c 548 art 2 s 9]