

CHAPTER 121

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121.01 MS 1957 [Repealed, Ex1959 c 71 art 8 s 26]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121.02 MS 1957 [Repealed, Ex1959 c 71 art 8 s 26]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

sentative 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 [Repealed, 1976 c 134 s 79]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 appointed the member shall cease to be a member of the board. The governor shall appoint a successor within six months thereafter.

Subd. 4. **Board staff.** The state board may appoint a staff assistant who shall serve in the unclassified service.

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; 1Sp1985 c 11 s 11; 1986 c 444*

121.03 MS 1957 [Repealed, Ex1959 c 71 art 8 s 26]

121.03 OATH.

Before entering upon the duties of 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; 1986 c 444*

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. **Rules governing.** The state board shall prescribe rules under which contracts, agreements, or arrangements may be made with agencies of the federal government for funds, services, commodities, or equipment to 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 rules prescribed by the state board and in no other manner.

History: *Ex1959 c 71 art 2 s 5; 1985 c 248 s 70*

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 [Repealed, 1989 c 329 art 9 s 34]

121.09 MS 1957 [Repealed, Ex1959 c 71 art 8 s 26]

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.

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 adopt goals for and 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 suggested courses of study. The board shall develop a plan to attain the adopted goals. At the board's request, the commissioner may assign department of education staff to assist the board in attaining its goals. The commissioner shall explain to the board in writing any reason for refusing or delaying a request for staff assistance. The board shall establish rules relating to examinations, reports, acceptances of schools, courses of study, and other proceedings in connection with elementary and secondary schools applying for special state aid. The

state board may recognize educational accrediting agencies for the sole purposes of sections 120.101, 120.102, and 120.103.

Subd. 7a. [Repealed, 1Sp1985 c 12 art 7 s 33]

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 may adopt rules only upon specific authority other than under this subdivision. 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 that 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 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 noncertified 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.

The commissioner of finance shall also establish a revolving fund for the department of education to deposit charges paid by recipients of processed commodities and for any authorized appropriation transfers for the purpose of this subdivision. These funds are to be used only to pay for commodity processing and related charges as they are incurred using United States Department of Agriculture donated commodities.

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 technical colleges.

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

History: *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; 1985 c 248 s 70; 1987 c 178 s 5; 1987 c 398 art 7 s 5; 1989 c 329 art 7 s 2; art 8 s 1; art 9 s 4; 1990 c 375 s 3*

NOTE: School buses, rules, see section 169.45.

121.111 OFFICE OF EDUCATIONAL LEADERSHIP.

Subdivision 1. **Maintain office.** The commissioner shall maintain an office of edu-

cational leadership within the department of education. The purpose of the office is to assist school districts, education districts, and other education organizations in developing education policies that maximize the learning of all pupils.

Subd. 2. Office management. A director in the unclassified service shall manage the office.

Subd. 3. Research project on learner outcomes. The office shall develop a plan for a two-year research project to determine the effectiveness of a learner outcome-based system of education in improving pupils' learning. The plan shall include:

- (1) specific educational goals to be attained;
- (2) various options for achieving the goals;
- (3) the development of a hierarchy of learner outcomes composed of state learner goals, integrated learner outcomes and program learner outcomes, and course, unit, and lesson learner outcomes;
- (4) mechanisms for communicating the progress and the results of the research;
- (5) an objective process for evaluating the progress and results of the research that is performed by an independent evaluator;
- (6) alternatives for evaluating pupils' progress at the classroom level; and
- (7) methods of assessing pupils' thinking and problem-solving skills.

Subd. 4. Research advisory committee. The state board of education shall appoint an advisory committee of seven members to assist the office in developing its two-year plan. Committee members shall solicit and obtain information and ideas from school districts, education districts, and other education organizations. Committee members, or their designees, shall include the chairs of the task force on education organization, the state curriculum advisory committee, the state board of education, the Minnesota association of colleges of teacher education, the education effectiveness council, the council on vocational technical education, and the minority education partnership.

History: 1989 c 329 art 7 s 3; 1990 c 562 art 7 s 1,2

- 121.12 [Repealed, 1989 c 329 art 9 s 34]
 121.12 MS 1957 [Repealed, Ex1959 c 71 art 8 s 26]
 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

121.148 SCHOOL DISTRICT CONSTRUCTION.

Subdivision 1. Commissioner approval. In determining whether to give a school facility a positive, negative, or unfavorable review and comment, the commissioner must evaluate the proposals for facilities using the information provided under section 121.15, subdivision 7.

Subd. 2. Positive review and comment. If the commissioner submits a positive review and comment for a proposal according to section 121.15, the school board may proceed with the construction according to the requirements of applicable laws.

Subd. 3. Negative review and comment. If the commissioner submits a negative review and comment for a proposal according to section 121.15, the school board must not proceed with construction.

Subd. 4. Unfavorable review and comment. If the commissioner submits an unfavorable review and comment for a proposal under section 121.15, the school board, by resolution of the board, must reconsider construction. If, upon reconsideration, the school board decides to proceed with construction, it may initiate proceedings for issuing bonds to finance construction under sections 475.51 to 475.76. Unless 60 percent of the voters at the election approve of issuing the obligations, the board is not authorized to issue the obligations.

History: 1988 c 718 art 8 s 1; 1990 c 562 art 5 s 1

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 commissioner of education before developing any plans and specifications to construct, remodel, or improve the building or site of an educational facility, other than a technical college, for which the estimated cost exceeds \$100,000. This consultation shall occur before a referendum for bonds, solicitation for bids, or use of capital expenditure facilities revenue according to section 124.243, subdivision 6, clause (2). The commissioner may require the district to participate in a management assistance plan before conducting a review and comment on the project.

Subd. 2. Plan submittal. For a project for which consultation is required under subdivision 1, the commissioner, after the consultation required in subdivision 1, may require a school district to submit the following 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 commissioner shall approve or disapprove the plans within 90 days after submission.

Final plans shall meet all applicable state laws, rules, and codes concerning public buildings, including sections 16B.59 to 16B.73. 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 a construction contract has not been awarded within two years of approval, the approval shall not be valid. After approval, final plans and the approval shall be filed with the commissioner of education. If substantial changes are made to approved plans, documents reflecting the changes shall be submitted to the commissioner for approval. Upon completing a project, the school board shall certify to the commissioner that the project was completed according to the approved plans.

Subd. 4. Condemnation of school buildings. The commissioner may condemn school buildings and sites that 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 that requires an 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 people proposed to be served, including census findings and projections for the next ten years 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 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) a description of existing facilities within the area to be served and within school districts adjacent to the area to be served; the extent to which existing facilities or services are used; the extent to which alternate space is available, including other school districts, post-secondary institutions, other public or private buildings, or other non-education community resources; and the anticipated effect that the facility will have on existing facilities and services;
- (f) the anticipated benefit of the facility to the area;
- (g) if known, the relationship of the proposed construction to any priorities that 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;
- (i) desegregation requirements that cannot be met by any other reasonable means;
- (j) the relationship of the proposed facility to the cooperative integrated learning needs of the area; and
- (k) the effects of the proposed facility on the district's operating budget.

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. If the commissioner submits a negative review and comment for a portion of a proposal, the review and comment shall clearly specify which portion of the proposal received a negative review and comment and which portion of the proposal received a positive review and comment.

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 described in subdivision 6, the school board shall publish the commissioner's review and comment in the legal newspaper of the district. 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 of the project, and any recommendations.

History: *Ex1959 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; 1Sp1986 c 3 art 1 s 16; 1987 c 258 s 12; 1988 c 718 art 8 s 2; 1989 c 246 s 2; 1989 c 329 art 5 s 2; 1990 c 562 art 5 s 2-4*

121.1502 INSPECTION OF PUBLIC SCHOOLS.

Subdivision 1. Inspection. The commissioner and the state fire marshal shall develop a plan to inspect once every three years every public school facility used for educational purposes. Inspections must begin during the 1990-1991 school year. The plan must provide for continued inspection by local units of government of public school facilities that have been inspected by a local unit of government between January 1, 1987, and January 1, 1990, and may provide for inspections by local units of government in other situations. Each inspection report must be filed with the commissioner, the local school board, and the state fire marshal. Notwithstanding section 299F.011, subdivisions 5a and 5b, a variance from the code must be approved by the state fire marshal before taking effect. The state board may request that the state fire marshal inspect a particular school facility.

Subd. 2. Contracting. The commissioner may contract with the state fire marshal to provide the inspections provided in subdivision 1.

History: *1990 c 562 art 5 s 5*

121.151 [Repealed, 1989 c 329 art 9 s 34]

121.155 JOINT POWERS AGREEMENTS FOR EDUCATIONAL FACILITIES.

Any group of districts may form a joint powers district under section 471.59 representing all participating districts to build or acquire a facility to be used for instructional purposes. The joint powers board must submit the project for review and comment under section 121.15. The joint powers board must hold a hearing on the proposal. The joint powers district must submit the question of authorizing the borrowing of funds for the project to the voters of the joint powers district at a special election. The question submitted shall state the total amount of funding needed from all sources. The joint powers board may issue the bonds according to chapter 475 and certify the levy required by section 475.61 only if a majority of those voting on the question vote in the affirmative and only after the school boards of each member district have adopted a resolution pledging the full faith and credit of that district. The resolution shall irrevocably commit that district to pay a proportionate share, based on pupil units, of any debt levy shortages that, together with other funds available, would allow the joint powers board to pay the principal and interest on the obligations. The district's payment of its proportionate share of the shortfall shall be made from the district's capital expenditure fund. The clerk of the joint powers board must certify the vote of the bond election to the commissioner of education.

History: 1990 c 562 art 11 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

121.161 SHARED SERVICE AGREEMENTS.

The commissioner may make a shared service agreement with another public agency. The agreement must be of mutual benefit to the state, the department, and the other agency. The term of the agreement must not be more than three years. The commissioner and the other agency need not consult the legislative advisory commission before making the agreement.

Charges by the department and the other agency must be on an actual cost basis, and the receipts are dedicated to the operation of the department or agency receiving them and are appropriated for that purpose.

History: 1Sp1985 c 12 art 7 s 6

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 a written opinion thereon and such opinion shall be binding until annulled or overruled by a court.

History: Ex1959 c 71 art 2 s 17; 1986 c 444

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 a 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 the commissioner shall deem most convenient and beneficial.

History: Ex1959 c 71 art 2 s 19; 1975 c 162 s 8; 1986 c 444

121.20 [Repealed, 1987 c 398 art 8 s 45]**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 in-service 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 technical college programs; and

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

History: 1981 c 358 art 3 s 9; 1987 c 258 s 12; 1989 c 246 s 2

121.203 HEALTH-RELATED PROGRAMS.

Subdivision 1. **AIDS program.** The commissioner of education, in consultation with the commissioner of health, shall assist districts in developing and implementing a program to prevent and reduce the risk of acquired immune deficiency syndrome. Each district shall have a program that includes at least:

(1) planning materials, guidelines, and other technically accurate and updated information;

(2) a comprehensive, technically accurate, and updated curriculum;

(3) cooperation and coordination among districts and ECSUs;

(4) a targeting of adolescents, especially those who may be at high risk of contracting AIDS, for prevention efforts;

(5) involvement of parents and other community members;

(6) in-service training for appropriate district staff and school board members;

(7) collaboration with state agencies and organizations having an AIDS prevention or AIDS risk reduction program;

(8) collaboration with local community health services, agencies and organizations having an AIDS prevention or AIDS risk reduction program; and

(9) participation by state and local student organizations.

The department may provide assistance at a neutral site to a nonpublic school participating in a district's program. District programs must not conflict with the health and wellness curriculum developed under Laws 1987, chapter 398, article 5, section 2, subdivision 7.

If a district fails to develop and implement a program to prevent and reduce the risk of AIDS, the department shall assist the ECSU in the region serving that district to develop or implement the program.

Subd. 2. **Funding sources.** Districts may accept funds for AIDS programs developed and implemented under this section from public and private sources including public health funds and foundations, department professional development funds, federal block grants or other federal or state grants.

History: 1988 c 718 art 5 s 1

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 rules 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; 1985 c 248 70*

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 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 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; 1985 c 248 s 70; 1986 c 444*

- 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. [Repealed, 1989 c 329 art 9 s 34]

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 the employee's 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; 1986 c 444

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 Subdivision 1. [Repealed, 1Sp1986 c 1 art 10 s 23]

Subd. 2. [Repealed, 1Sp1986 c 1 art 10 s 23]

Subd. 3. [Repealed, 1Sp1986 c 1 art 10 s 23]

Subd. 4. [Repealed, 1Sp1986 c 1 art 10 s 23]

Subd. 5. [Repealed, 1Sp1986 c 1 art 10 s 23]

Subd. 6. [Repealed, 1981 c 358 art 7 s 31; 1Sp1986 c 1 art 10 s 23]

121.496 DEPARTMENT OF EDUCATION LIBRARY AND INFORMATION SERVICES DUTIES.

Subdivision 1. [Repealed, 1989 c 329 art 9 s 34]

Subd. 2. **Providing other information.** The department may provide library information services it considers appropriate and necessary to any state agency, governmental unit, nonprofit organization, or private entity. The department may collect reasonable fees not to exceed its actual costs for providing the information services. The department may also accept money from any public or private source to defray the cost of providing the information services.

Subd. 3. **Open appropriation.** The fees charged and money accepted by the department under subdivision 2 shall be deposited in the state treasury and credited to a special account. Money in the account is appropriated to the department to defray the costs of providing the information services.

History: (3018) 1921 c 397 s 4; 1983 c 314 art 11 s 22; 1986 c 471 s 1

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]

121.585 LEARNING YEAR PROGRAMS.

Subdivision 1. **Program established.** A learning year program provides instruction throughout the year. A pupil may participate in the program and accelerate attainment of grade level requirements or graduation requirements. A learning year program may begin after the close of the regular school year in June. The program may be for students in one or more grade levels from kindergarten through grade 12.

Students may participate in the program if they reside in:

- (1) a district that has been designated a learning year site under subdivision 2;
- (2) a district that is a member of the same education district as a site; or
- (3) a district that participates in the same area learning center program as a site.

Subd. 2. **State board designation.** An area learning center designated by the state must be a site. Up to an additional ten learning year sites may be designated by the state board of education. To be designated, a district or center must demonstrate to the commissioner of education that it will:

- (1) provide a program of instruction that permits pupils to receive instruction throughout the entire year; and
- (2) maintain a record system that, for purposes of section 124.17, permits identification of membership attributable to pupils participating in the program. The record system and identification must ensure that the program will not have the effect of increasing the total number of pupil units attributable to an individual pupil as a result of a learning year program.

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

For the purposes of section 120.101, subdivision 5, the minimum number of hours for a year determined for the appropriate grade level of instruction shall constitute 170 days of instruction. Hours of instruction that occur after the close of the instructional year in June shall be attributed to the following fiscal year.

Subd. 4. **Student planning.** A district must inform all pupils and their parents about the learning year program. A continual learning plan must be developed for each pupil with the participation of the pupil, parent or guardian, teachers, and other staff. The plan must specify the learning experiences that must occur each year and, for secondary students, for graduation. The plan may be modified to conform to district schedule changes. The district may not modify the plan if the modification would result in delaying the student's time of graduation.

Subd. 5. **Transportation.** Summer transportation expenditures for this program must be included in nonregular transportation according to sections 124.225, subdivision 8; and 275.125, subdivision 5c.

Subd. 6. **Contracts.** A district may contract with a licensed employee to provide services in a learning year program that are in addition to the services provided according to the master contract of employment for teachers or an equivalent contract for licensed employees who are not teachers. These additional services and compensation, if any, for the services shall not become a part of the employee's continuing contract rights under section 125.12 or 125.17.

Subd. 7. **Revenue computation and reporting.** Aid and levy revenue computations shall be based on the total number of hours of education programs for pupils in average daily membership for each fiscal year. For purposes of section 124.17, average daily

membership shall be computed by dividing the total number of hours of participation for the fiscal year by the minimum number of hours for a year determined for the appropriate grade level. Hours of participation that occur after the close of the regular instructional year and before July 1 shall be attributed to the following fiscal year. Thirty hours may be used for teacher workshops, staff development, or parent-teacher conferences. As part of each pilot program, the department of education and each district must report and evaluate the changes needed to adjust the dates of the fiscal year for aid and levy computation and fiscal year reporting. For revenue computation purposes, the learning year program shall generate revenue based on the formulas for the fiscal year in which the services are provided.

State aid and levy revenue computation for the learning year programs begins July 1, 1988, for fiscal year 1989.

Subd. 8. Exemption. To operate the pilot program, the state board of education may exempt the district from specific rules relating to student and financial accounting, reporting, and revenue computation.

History: 1989 c 329 art 9 s 5

121.601 [Repealed, 1Sp1985 c 12 art 8 s 65]

121.608 EDUCATIONAL EFFECTIVENESS PLAN.

The commissioner of education shall develop a comprehensive statewide plan for maintaining and improving educational effectiveness in the schools. The plan shall encourage implementation of educational effectiveness strategies based on research findings in the area, develop in-service programs for school district staff, integrate developments in educational technology with classroom instruction, and develop a mechanism for establishing a statewide network to coordinate and disseminate information on research in educational 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; 1Sp1985 c 12 art 8 s 1

121.609 EDUCATIONAL EFFECTIVENESS INSTRUCTION.

Subdivision 1. Advisory task force; program implementation. 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 program for providing in-service instruction to school district staff in educational effectiveness. The in-service program shall be based on established principles of instructional design and the essential elements of effective instruction as determined by educational research. The in-service program 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 in-service instruction through the educational cooperative service units.

Subd. 2. Research and development of in-service program. The commissioner shall administer a research and development program of educational effectiveness in-service. The advisory task force established in subdivision 1 may recommend modifications in the in-service program as necessary.

Subd. 3. Evaluation and report. The commissioner shall provide for independent evaluation of the effectiveness of this section. The evaluation results shall be reported to the education committees of the legislature by January 15 of each year.

The commissioner, with the assistance of the advisory task force, shall develop a long-term evaluation instrument for use at the research and development sites and other districts utilizing the educational effectiveness program. 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 provide assistance to the school districts in an educational cooperative service unit region in implementing educational effectiveness. In selecting an agency to provide assistance to the school districts, the department shall consider such factors as support of the proposal by the participating school districts and the extent to which the proposal provides for participation by school district staff. If more than one agency submits a proposal to provide services to school districts within an educational cooperative service unit region, the department shall encourage the agencies to develop a joint proposal. Every two years, the department shall evaluate the performance of the regional service providers and shall consider new proposals to provide regional services.

Subd. 5. Educational effectiveness in-service. Utilizing the statewide plan developed pursuant to section 121.608 and the regional support services authorized in subdivision 4 and based on the research from the educational effectiveness in-service programs authorized in subdivision 2, the department of education shall provide educational effectiveness in-service instruction for school district staff. The in-service instruction shall be facilitated by building level leadership teams, as defined in the statewide plan developed pursuant to section 121.608. The in-service instruction shall include clarification of individual school missions, goals and expectations, enhancement of collaborative planning and collegial relationships among the building staff, improvement of instructional and organizational skills and the 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; 1Sp1985 c 12 art 8 s 2; 1987 c 398 art 8 s 1

121.611 NONLICENSED COMMUNITY EXPERTS; VARIANCE.

Subdivision 1. Authorization. Notwithstanding any law or state board of education rule to the contrary, the board of teaching may allow school districts to hire nonlicensed community experts to teach in the public schools on a limited basis according to this section.

Subd. 2. Applications; criteria. The school district shall apply to the board of teaching for approval to hire nonlicensed teaching personnel from the community. In approving or disapproving the district's application for each community expert, the board shall consider:

- (1) the qualifications of the community person whom the district proposes to employ;
- (2) the reasons for the district's need for a variance from the teacher licensure requirements;
- (3) the district's efforts to obtain licensed teachers, who are acceptable to the school board, for the particular course or subject area;
- (4) the amount of teaching time for which the community expert would be hired;
- (5) the extent to which the district is utilizing other nonlicensed community experts under this section;
- (6) the nature of the community expert's proposed teaching responsibility; and
- (7) the proposed level of compensation to the community expert.

Subd. 3. Approval of plan. The board of teaching shall approve or disapprove an application within 60 days of receiving it from a school district.

History: 1Sp1985 c 12 art 8 s 3

121.612 MINNESOTA ACADEMIC EXCELLENCE FOUNDATION.

Subdivision 1. Citation. This section may be cited as the "Minnesota academic excellence act."

Subd. 1a. [Renumbered subd 2]

Subd. 2. Creation of foundation. There is created the Minnesota academic excel-

lence foundation. The purpose of the foundation shall be to promote academic excellence in Minnesota public schools through public-private partnerships. The foundation shall be a nonprofit organization. The board of directors of the foundation and foundation activities are under the direction of the state board of education.

Subd. 3. Board of directors. The board of directors of the foundation shall consist of the commissioner of education, a member of the state board of education selected by the state board who shall serve as chair and 20 members to be appointed by the governor. Of the 20 members appointed by the governor, eight shall represent a variety of education groups and 12 shall represent a variety of business groups. The commissioner of education shall serve as secretary for the board of directors and provide administrative support to the foundation. An executive committee of the foundation board composed of the board officers and chairs of board committees, may only advise and make recommendations to the foundation board.

Subd. 3a. [Repealed by amendment, 1989 c 329 art 11 s 1]

Subd. 4. Foundation programs. The foundation may develop programs that 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) an academic league to provide organized challenges requiring cooperation and competition for public and nonpublic pupils in elementary and secondary schools.

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

Subd. 5. Powers and duties. The foundation may:

- (1) establish and collect membership fees;
- (2) publish brochures or booklets relating to the purposes of the foundation and collect reasonable fees for the publications;
- (3) receive money, grants, and in-kind goods or services from nonstate sources for the purposes of the foundation;
- (4) contract with consultants; and
- (5) expend money for awards and other forms of recognition and appreciation.

Subd. 6. Contracts. The foundation board shall review and approve each contract of the board. Each contract of the foundation board shall be subject to the same review and approval procedures as a contract of the state board of education.

Subd. 7. Foundation staff. The state board shall appoint the executive director and other staff who shall perform duties and have responsibilities solely related to the foundation.

Subd. 8. 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. 9. Report. The board of directors of the foundation shall submit an annual report to the education committees of the legislature on the progress of its activities. The annual report shall contain a financial report for the preceding year, including all receipts and expenditures of the foundation.

Subd. 10. Appropriation. There is annually appropriated to the academic excellence foundation all amounts received by the foundation pursuant to this section.

History: 1983 c 314 art 8 s 4; 1986 c 444; 1987 c 398 art 7 s 6-10; 1989 c 329 art 11 s 1; 1990 c 562 art 8 s 4,5

- 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 nonpublic 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 corpora-

tion, 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 com-

mittee 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 the speaker be not available, by the last chair 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; 1986 c 444

121.83 [Repealed, 1989 c 329 art 9 s 34; 1989 c 343 s 7]

121.84 [Repealed, 1989 c 329 art 9 s 34]

121.843 [Repealed, 1989 c 329 art 9 s 34]

121.844 [Repealed, 1989 c 329 art 9 s 34]

121.845 [Repealed, 1989 c 329 art 9 s 34]

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 [Repealed, 1989 c 329 art 9 s 34]

121.87 STATE COMMUNITY EDUCATION ADVISORY TASK FORCE.

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

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

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

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

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

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; 1987 c 398 art 4 s 1,2

121.88 COMMUNITY EDUCATION PROGRAMS; ADVISORY COUNCIL.

Subdivision 1. **Authorization.** Each school board may initiate a community education program in its district and provide for the general supervision of the 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. **Advisory council.** Each board shall provide for an advisory council to consist of members who represent: various service organizations; churches; public and nonpublic schools; local government including elected officials; public and private non-profit agencies serving youth and families; parents; youth; park, recreation or forestry services of municipal or local government units located in whole or in part within the boundaries of the school district; and any other groups participating in the community education program in the school district.

Subd. 3. **Cooperation.** 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. **Duplication policy.** Each council shall adopt a policy to reduce and eliminate program duplication within the district.

Subd. 5. **Summer 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.

Subd. 6. **Programs for adults with disabilities.** A school board may offer, as part of a community education program, a program for adults with disabilities. Boards are encouraged to offer programs cooperatively with other districts and organizations. Programs may not be limited to district residents. Programs may include:

- (1) services enabling the adults to participate in community activities or community education classes;
- (2) classes specifically for adults with disabilities;
- (3) outreach activities to identify adults needing service;
- (4) activities to increase public awareness of the roles of people with disabilities;
- (5) activities to enhance the role of people with disabilities in the community; and
- (6) other direct and indirect services and activities benefiting adults with disabilities.

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

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

Subd. 8. **Youth development plans.** A district advisory council may prepare a youth development plan. The council is encouraged to use the state model plan developed under section 121.87, subdivision 1a, when developing the local plan. The school board may approve the youth development plan.

Subd. 9. **Youth service programs.** A school board may offer, as part of a community education program with a youth development program, a youth service program for

pupils to promote active citizenship and to address community needs through youth service. The school board may award up to one credit, or the equivalent, toward graduation for a pupil who completes the youth service requirements of the district. The community education advisory council shall design the program in cooperation with the district planning, evaluating and reporting committee and local organizations that train volunteers or need volunteers' services. Programs must include:

- (1) preliminary training for pupil volunteers conducted, when possible, by organizations experienced in such training;
- (2) supervision of the pupil volunteers to ensure appropriate placement and adequate learning opportunity;
- (3) sufficient opportunity, in a positive setting for human development, for pupil volunteers to develop general skills in preparation for employment, to enhance self esteem and self worth, and to give genuine service to their community; and
- (4) integration of academic learning with the service experience.

Youth service projects include, but are not limited to, the following:

- (1) human services for the elderly, including home care and related services;
- (2) tutoring and mentoring;
- (3) training for and providing emergency services;
- (4) services at extended day programs; and
- (5) environmental services.

The commissioner shall maintain a list of acceptable projects with a description of each project. A project that is not on the list must be approved by the commissioner.

A youth service project must have a community sponsor that may be a governmental unit or nonprofit organization. To assure that pupils provide additional services, each sponsor must assure that pupil services do not displace employees or reduce the workload of any employee.

The commissioner must assist districts in planning youth service programs, implementing programs, and developing recommendations for obtaining community sponsors.

Subd. 10. Extended day programs. A school board may offer, as part of a community education program, an extended day program for children from kindergarten through grade 6 for the purpose of expanding students' learning opportunities. A program must include the following:

- (1) adult supervised programs while school is not in session;
- (2) parental involvement in program design and direction;
- (3) partnerships with the K-12 system, and other public, private, or nonprofit entities; and
- (4) opportunities for trained secondary school pupils to work with younger children in a supervised setting as part of a community service program.

The district may charge a sliding fee based upon family income for extended day programs. The district may receive money from other public or private sources for the extended day program. The school board of the district shall develop standards for school age child care programs. The state board of education may not adopt rules for extended day 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; 1Sp1985 c 12 art 4 s 1; 1987 c 398 art 4 s 3-5; 1988 c 718 art 4 s 1,2; 1989 c 329 art 4 s 1,2; art 9 s 6; 1990 c 562 art 3 s 1

121.882 EARLY CHILDHOOD FAMILY EDUCATION PROGRAMS.

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

Subd. 2. **Program characteristics.** Early childhood family education programs are programs for children in the period of life from birth to kindergarten, for the parents of such children, and for expectant parents. 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) activities and materials designed to encourage self-esteem, skills, and behavior that prevent sexual and other interpersonal violence;
- (6) educational materials which may be borrowed for home use;
- (7) information on related community resources; or
- (8) other programs or activities.

The programs shall not include activities for children that do not require substantial involvement of the children's parents. The programs shall be reviewed periodically to assure the instruction and materials are not racially, culturally, or sexually biased. The programs shall encourage parents to be aware of practices that may affect equitable development of children.

Subd. 2a. **Substantial parental involvement.** The requirement of substantial parental involvement in subdivision 2 means that:

- (a) parents must be physically present much of the time in classes with their children or be in concurrent classes;
- (b) parenting education or family education must be an integral part of every early childhood family education program;
- (c) early childhood family education appropriations must not be used for traditional day care or nursery school, or similar programs; and
- (d) the form of parent involvement common to kindergarten, elementary school, or early childhood special education programs such as parent conferences, newsletters, and notes to parents do not qualify a program under subdivision 2.

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

Subd. 9. **Assistance.** The department of education shall provide assistance to districts with programs described in this section. The department must establish guidelines that list barriers to learning and development affecting children served by early childhood family education programs.

Subd. 10. [Repealed, 1989 c 329 art 9 s 34]

History: 1984 c 463 art 4 s 1; 1Sp1985 c 12 art 4 s 2; 1989 c 329 art 4 s 3; 1990 c 562 art 3 s 13; art 4 s 1

121.883 PROGRAM FOR PUBLIC EDUCATION REGARDING THE EFFECTS OF CONTROLLED SUBSTANCE AND ALCOHOL USE DURING PREGNANCY.

Subdivision 1. **Public education regarding the effects of controlled substance and alcohol use during pregnancy.** The commissioner of education, in consultation with the commissioner of health, shall assist school districts in developing and implementing programs to prevent and reduce the risk of harm to unborn children exposed to controlled substance and alcohol use by their mother during pregnancy. Each district program must, at a minimum:

- (1) use planning materials, guidelines, and other technically accurate and updated information;
- (2) maintain a comprehensive, technically accurate, and updated curriculum;
- (3) be directed at adolescents, especially those who may be at high risk of pregnancy coupled with controlled substance or alcohol use;
- (4) provide in-service training for appropriate district staff; and
- (5) collaborate with appropriate state and local agencies and organizations.

History: 1989 c 290 art 5 s 1

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) eight persons who are representative of the various size school districts in the state and who are public school employees whose positions involve activities related to school financing and accounting, appointed by the state board; and
- (5) one person appointed by the chancellor of vocational technical education.

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

Subd. 2. The council shall expire, and the terms 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 chair and secretary from its membership. Meetings shall be held at the call of the chair or any three members.

History: 1976 c 271 s 26; 1986 c 444; 1Sp1986 c 1 art 10 s 4; 1987 c 258 s 2; 1990 c 375 s 3

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 121.917 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. [Repealed, 1989 c 329 art 9 s 34]

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; 1987 c 384 art 2 s 1

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 collected by the county and distributed to the school district, including distributions made pursuant to section 279.37, subdivision 7, and excluding the amount levied pursuant to sections 124.2721, subdivision 3; 124.575, subdivision 3; and 275.125, subdivision 9a; and Laws 1976, chapter 20, section 4.

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

(1) the 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 31.0 percent of the amount of the levy certified in the prior calendar year according to section 124A.03, subdivision 2, plus or minus auditor's adjustments, not including levy portions that are assumed by the state; or

(3) 31.0 percent of the amount of the levy certified in the prior calendar year, plus or minus auditor's adjustments, not including levy portions that are assumed by the state, which remains after subtracting, by fund, the amounts levied for the following purposes:

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

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

(iii) retirement and severance pay pursuant to sections 124.2725, subdivision 15, 124.4945, and 275.125, subdivisions 4 and 6a, and Laws 1975, chapter 261, section 4; and

(iv) amounts levied for bonds issued and interest thereon, amounts levied for debt service loans and capital loans, amounts levied for down payments under section 124.82, subdivision 3, and amounts levied pursuant to section 275.125, subdivision 14a.

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

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

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

Subd. 4c. **Property tax shift reduction.** (a) Money made available under section 16A.1541 must be used to reduce the levy recognition percent specified in subdivision 4a, clauses (b)(2) and (b)(3), for taxes payable in the succeeding calendar year.

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

(1) the statewide total amount of levy recognized in June of the year in which the taxes are payable pursuant to subdivision 4a, clause (b), reduced by the amount of money made available under section 16A.1541, to

(2) the statewide total amount of the levy recognized in June of the year in which the taxes are payable pursuant to subdivision 4a, clause (b).

The result shall be rounded up to the nearest whole percent. However, in no case shall the levy recognition percent be reduced below zero or increased above the current levy recognition percent.

(c) The commissioner of finance must certify to the commissioner of education the levy recognition percent computed under this subdivision by January 5 of each year. The commissioner of education must notify school districts of a change in the levy recognition percent by January 15.

(d) The commissioner of finance shall transfer from the general fund to the education aids appropriations specified by the commissioner of education, the amounts needed to finance the additional payments required because of the reduction pursuant to this subdivision of the levy recognition percent. Payments to a school district of additional state aids resulting from a reduction in the levy recognition percent must be included in the cash metering of payments made according to section 124.195 after January 15, and must be paid in a manner consistent with the percent specified in that section.

Subd. 4d. **Aid payment percentage increase.** (a) Subject to the provisions of section 16A.1541, if the most recent forecast of general fund revenues and expenditures prepared by the commissioner of finance indicates a projected unobligated general fund balance at the close of the biennium, the fund balance must be used to increase the aid payment percentage specified in section 124.195, subdivisions 7 and 10. The increased aid payment percentage shall be rounded to the nearest whole percent above 85 percent but shall not exceed 90 percent.

(b) The commissioner of finance must certify to the commissioner of education the amount available for computing the aid payment percentage. The commissioner of education must determine the method for increasing the aid payment percentage. The commissioner of finance must transfer from the general fund to the education aids, grants, and credits appropriations specified by the commissioner of education the amounts needed to make the additional payments required by this subdivision. The additional payments must be included in the cash metering of payments made according to section 124.195. The commissioner of education must notify school districts of an increase in the percentage payment of current year school aids under this subdivision within 30 days.

Subd. 4e. **Cooperation levy recognition.** (a) A cooperative district is a district or cooperative that receives revenue according to section 124.2721 or 124.575.

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

(1) the sum of the state aids and credits enumerated in section 124.155, subdivision 2, that are for the fiscal year payable in that fiscal year; or

(2) 31.0 percent of the difference between

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

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

Subd. 5. General education aid and endowment fund apportionment 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. [Repealed, 1988 c 486 s 102]

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

Subd. 11b. [Repealed, 1988 c 486 s 102]

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; 1Sp1985 c 12 art 10 s 1; 1Sp1985 c 14 art 18 s 5,6; 1Sp1986 c 1 art 5 s 4; 1987 c 268 art 9 s 2,3; 1987 c 384 art 2 s 26; 1987 c 398 art 1 s 1; art 7 s 42; 1988 c 486 s 9; 1989 c 222 s 6; 1989 c 329 art 6 s 1,2; 1Sp1989 c 1 art 6 s 1,2; 1990 c 426 art 2 s 4; 1990 c 562 art 6 s 3

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.

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. The audited financial statement must also provide a statement of assurance pertaining to uniform financial accounting and reporting standards compliance.

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 section 120.17, 123.351, 471.59, or any other law and all educational cooperative service units and education districts 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; 1989 c 329 art 6 s 3; 1990 c 562 art 8 s 6

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

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 pro-

vided, 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 124.76, 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, on determining that a district is in violation of this subdivision or section 121.904, the commissioner 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; 1986 c 444; 1987 c 384 art 2 s 1

121.912 PERMANENT FUND TRANSFERS.

Subdivision 1. **Limitations.** Except as provided in this subdivision, sections 121.9121, 123.36, 124.243, 475.61, and 475.65, a school district may not permanently transfer money from (1) an operating fund to a nonoperating fund; (2) a nonoperating fund to another nonoperating fund; or (3) a nonoperating fund to an operating fund. Permanent transfers may be made from any fund to any other fund to correct for prior fiscal years' errors discovered after the books have been closed for that year. Permanent transfers may be made from the general fund to any other operating funds according to section 123.705, subdivision 1, or if the resources of the other fund are not adequate to finance approved expenditures from that other fund. Permanent transfers may also be made from the general fund to eliminate deficits in another fund when that other fund is being discontinued. When a district discontinues operation of a district-owned bus fleet or a substantial portion of a fleet, permanent transfers must be made, on June 30 of the fiscal year that the operation is discontinued, from the fund balance account entitled "pupil transportation fund reserved for bus purchases" to the capital expenditure fund. The sum of the levies authorized pursuant to sections 124.243, 124.244, and 124.83 shall be reduced by an amount equal to the amount transferred. Any school district may transfer any amount from the undesignated fund balance account in its transportation fund to any other operating fund or to the reserved fund balance account for bus purchases in its transportation fund.

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

Subd. 1b. TRA and FICA transfer. (a) Notwithstanding subdivision 1, a district shall transfer money from the general fund to the community service fund for the employer contributions for teacher retirement and FICA for employees who are members of a teacher retirement association and who are paid from the community service fund.

(b) A district shall not transfer money under paragraph (a) for employees who are paid with money other than normal operating funds, as defined in section 354.05, subdivision 27.

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 "undesignated fund balance since statutory operating debt" to the account entitled "reserved fund balance reserve account for purposes of statutory operating debt reduction." The amount of the transfer is limited to the lesser of (a) the net undesignated 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 undesignated operating fund balance is less than zero, the district may not make a transfer.

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

History: 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; art 6 s 3; 1984 c 463 art 7 s 4; 1Sp1985 c 12 art 7 s 7; 1Sp1985 c 16 art 2 s 29; 1987 c 143 s 2; 1987 c 258 s 12; 1987 c 398 art 7 s 13,42; 1988 c 486 s 10; 1988 c 718 art 8 s 3; 1989 c 222 s 7; 1989 c 246 s 2; 1989 c 329 art 4 s 4; 1990 c 562 art 4 s 2; art 8 s 7

121.9121 EXCEPTIONS FOR PERMANENT FUND TRANSFERS.

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

Subd. 2. Application. A board requesting authority to transfer money shall apply to the state board and provide information requested. The application shall indicate the law or rule prohibiting the desired transfer. It shall be signed by the superintendent and approved by the school board.

Subd. 3. Advisory council. The state board shall submit each application to the advisory council on uniform financial accounting and reporting standards for its recommendations. The advisory council shall develop and maintain guidelines for reviewing and approving requests.

Subd. 4. Approval standard. The state board may approve a request only when an event has occurred in a district that could not have been foreseen by the district. The

event shall relate directly to the fund or account involved and to the amount to be transferred.

Subd. 5. **Approval.** The state board shall use the advisory council guidelines and recommendation when it approves, disapproves, or modifies a request. It shall take action on a request within 75 days of receiving the request. If the state board action is different from the action recommended by the advisory council, the state board shall provide written reasons for the difference.

Subd. 6. [Repealed, 1989 c 329 art 9 s 34]

Subd. 7. [Repealed, 1988 c 718 art 7 s 65]

History: *1Sp1985 c 12 art 7 s 8; 1987 c 143 s 1*

121.914 STATUTORY OPERATING DEBT.

Subdivision 1. The "operating debt" of a school district means the net negative undesignated 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 2-1/2 percent of the most recent fiscal year's expenditure amount for the funds considered under subdivision 1, the net negative undesignated 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 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. [Repealed, 1989 c 329 art 9 s 34]

Subd. 10. [Repealed, 1989 c 329 art 9 s 34]

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; 1986 c 444; 1987 c 398 art 7 s 42

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 2-1/2 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 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 undesignated 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 undesignated 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 approval. The commissioner may also require the district to provide evidence that the district meets and will continue to meet all of the curriculum requirements of the state board.

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 chapters 124 and 124A 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; 1986 c 444; 1987 c 398 art 7 s 42; 1990 c 562 art 8 s 8

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121.918 DEPARTMENT MANAGEMENT ASSISTANCE TO SCHOOL DISTRICTS.

The department shall provide management assistance if requested by a district. The assistance may include:

(1) developing data and assumptions for the district to use in setting priorities and goals and in considering management and organizational alternatives; and

(2) analyzing and assessing alternative methods of organization and management, including opportunities for coordination and cooperation with other districts, and assessing the relative costs and benefits of the alternatives.

History: 1Sp1985 c 12 art 8 s 4

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 121.937, 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 secondary vocational education, a cooperative center for special education, or an intermediate service area.

Subd. 3. "ESV-IS" or "elementary, secondary, and secondary vocational education management information system" means that component of the statewide elementary, secondary, and secondary 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 secondary 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; 1987 c 258 s 12; 1987 c 384 art 2 s 1; 1989 c 293 s 9-11

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 121.937.

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.

Subd. 4. **Long-range plan.** The state board, with the advice and assistance of the ESV computer council and the information policy office, shall develop a long-range 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: 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

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systems. 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 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 by the state board 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.

Subd. 6a. Data standard compliance. The department shall monitor and enforce compliance with the data standards. For financial accounting data and property accounting data, the department shall develop statistically based tests to determine data quality. The department shall annually test the data submitted by districts or regional centers and determine which districts submit inaccurate data. The department shall require these districts to review the data in question and, if found in error, to submit corrected data.

Subd. 7. Approval powers. The state board, with the advice and assistance of the ESV computer council and the information policy office of the department of administration, shall approve or disapprove the following, according to the criteria in section 121.937 and 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 a management information system other than the ESV-IS subsystem through the regional management information center or a state board approved alternative system 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; 1Sp1985 c 12 art 7 s 9; 1987 c 258 s 12; 1987 c 384 art 2 s 1; 1988 c 486 s 11; 1989 c 329 art 11 s 2-4; 1990 c 562 art 8 s 9,10

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 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 data element dictionary, annual data acquisition calendar, and essential data elements are exempt from the administrative procedure act but, to the extent authorized by law to adopt rules, the board may use the provisions of section 14.38, subdivisions 5 to 9.

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.

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

History: 1980 c 609 art 7 s 11; 1981 c 253 s 25; 1982 c 424 s 130; 1987 c 398 art 7 s 14,15

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

Subdivision 1. Permitted delegations. The state board of technical colleges, the state board of education, and the department may provide, by the delegation of powers and duties or by contract, for the implementation and technical support of ESV-IS and SDE-IS, including the development of applications software pursuant to section 121.

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931, subdivision 5, by the Minnesota educational computing consortium, by a regional management information center or by any other appropriate provider.

Subd. 2. Prohibited delegations. The state board of technical colleges, the state board of education, 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 sections 121.931, subdivisions 3, 4, 6, 7, and 8 and 121.932, subdivisions 1 and 2.

History: 1980 c 609 art 7 s 12; 1987 c 258 s 3; 1990 c 375 s 3

121.934 ESV COMPUTER COUNCIL.

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

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

(a) six 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, one teacher from a rural school district, and one teacher from an urban school district;

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

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

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

(e) one person from the department of education.

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

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 appointed shall be deemed vacant.

Subd. 4. Officers. The council shall elect a chair 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 chair or at the written request of any six members.

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

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; 1986 c 444; 1987 c 258 s 4,5; 1987 c 398 art 7 s 16,18; 1988 c 629 s 26; 1989 c 329 art 11 s 5

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

Subd. 1a. Center for districts with alternative systems. Districts that operate alternative systems approved by the state board according to section 121.936 may create one regional management information center under section 471.59. The center shall have all of the powers authorized under section 471.59. Only districts that operate approved alternative systems may be members of the center. Upon receiving the approval of the state board to operate an alternative system, a district may become a member of the center.

Each member of the center board shall be a current member of a member school board.

The center board may purchase or lease equipment. It may not employ any staff but may enter into a term contract for services. A person providing services according to a contract with the center board is not a state employee.

The center shall perform the duties required by subdivision 2, except clauses (c), (d), and (g). The department shall provide the center all services that are provided to regional centers formed under subdivision 1, including transferring software and providing accounting assistance.

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 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 sub-systems of ESV-IS;

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(e) develop and maintain a plan to provide 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 adopted by the state board.

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 education committees of the legislature.

When determining the amount of a subsidy grant, the state board shall 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 that differ in proportion to the number of districts served and the number of subsystems implemented for those districts;

(e) services provided to districts that 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. If a district uses a state approved alternative finance system for processing its detailed transactions or transfers to another region,

the district is liable for its contracted proportionate share of the outstanding regional debt. The district is not liable for any additional outstanding regional debt that occurs after written notice is given to transfer or use an alternative finance system. A regional management information center must not charge a district for transferring the district's summary financial data and essential data elements to the state. The regional management information center may charge the district for any service it provides to, or performs on behalf of, a district to render the data in the proper format for reporting to the state.

History: 1980 c 609 art 7 s 14; 1981 c 358 art 5 s 4,5; 1984 c 463 art 7 s 5,6; 1987 c 258 s 12; 1987 c 398 art 7 s 11; 1989 c 329 art 11 s 6; 1990 c 562 art 8 s 11-13

121.936 SCHOOL DISTRICT MANAGEMENT INFORMATION SYSTEMS.

Subdivision 1. Mandatory participation. (a) Every district shall perform financial accounting and reporting operations on a financial management accounting and reporting system utilizing multidimensional accounts and records defined in accordance with the uniform financial accounting and reporting standards adopted by the state board pursuant to sections 121.90 to 121.917.

(b) Every school district shall be affiliated with one and only one regional management information center. This affiliation shall include at least the following components:

(1) the center shall provide reports to the department of education for the district to the extent required by the data acquisition calendar;

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

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

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

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

Subd. 1a. [Repealed, 1989 c 293 s 85]

Subd. 2. Alternative management information systems. 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 another 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 another management information system shall submit a detailed proposal to the state board and the ESV computer council. 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 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 com-

pletion 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 that 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. 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 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; 1Sp1985 c 12 art 7 s 10,11; 1987 c 384 art 2 s 1; 1987 c 398 art 7 s 12; 1989 c 329 art 11 s 7; 1990 c 562 art 8 s 14,15

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 sections 121.936, subdivision 1, clause (b)(1), and 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]

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