

CHAPTER 121

STATE ADMINISTRATION; INTERSTATE COMPACT

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121.02 STATE BOARD OF EDUCATION.

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

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

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

[For text of subs 2a to 4, see M.S.1994]

History: 1Sp1995 c 3 art 16 s 13

121.11 STATE BOARD.

[For text of subd 5, see M.S.1994]

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

[For text of subd 7b, see M.S.1994]

Subd. 7c. Results-oriented graduation rule. (a) The legislature is committed to establishing a rigorous, results-oriented graduation rule for Minnesota's public school students. To that end, the state board shall use its rulemaking authority under subdivision 7b to adopt a statewide, results-oriented graduation rule to be implemented starting with students beginning ninth grade in the 1996-1997 school year. The board shall not prescribe in rule or otherwise the delivery system, form of instruction, or a single statewide form of assessment that local sites must use to meet the requirements contained in this rule.

(b) Assessments used to measure knowledge required by all students for graduation must be developed according to the most current version of professional standards for educational testing.

(c) The content of the graduation rule must differentiate between minimum competencies and rigorous standards. When fully implemented, the requirements for high school graduation in Minnesota, including both basic requirements and the required profile of learning, shall include a broad range of academic experience and accomplishment necessary to achieve the goal of preparing students to function effectively as purposeful thinkers, effective communicators, self-directed learners, productive group participants, and responsible citizens.

(d) The state board shall periodically review and report on the assessment process and student achievement with the expectation of raising the standards and expanding high school graduation requirements.

(e) The state board shall report to the legislature annually by January 15 on its progress in developing and implementing the graduation requirements until such time as all the graduation requirements are implemented.

[For text of subs 7d to 12, see M.S.1994]

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 children, families, and learning. 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 children, families, and learning 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.

[For text of subs 15 and 16, see M.S.1994]

History: 1Sp1995 c 3 art 7 s 1; art 16 s 13

121.14 RECOMMENDATIONS; BUDGET.

The state board and the commissioner of children, families, and learning 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 commissioner of children, families, and learning 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.

History: 1Sp1995 c 3 art 16 s 13

121.15 REVIEW AND COMMENT FOR SCHOOL DISTRICT CONSTRUCTION.

Subdivision 1. Consultation. A school district shall consult with the commissioner of children, families, and learning 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.

[For text of subd 2, see M.S.1994]

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 children, families, and learning. 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.

[For text of subs 4 and 5, see M.S.1994]

Subd. 6. Review and comment. A school district must not initiate an installment contract for purchase, hold a referendum for bonds, nor solicit bids for new construction, expansion, or remodeling of an educational facility that requires an expenditure in excess of \$400,000 per school site 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.

[For text of subs 7 to 9, see M.S.1994]

History: *1Sp1995 c 3 art 1 s 2; art 16 s 13*

121.155 JOINT POWERS AGREEMENTS FOR FACILITIES.

Subdivision 1. Instructional 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 children, families, and learning.

Subd. 2. Shared facilities. A group of governmental units may form a joint powers district under section 471.59 representing all participating units to build or acquire a facility. 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 boards of each member unit have adopted a resolution pledging the full faith and credit of that unit. The resolution must irrevocably commit that unit to pay an agreed upon share 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 clerk of the joint powers board must certify the vote of the bond election to the commissioner of children, families, and learning.

History: *1Sp1995 c 3 art 16 s 13*

121.16 COMMISSIONER OF CHILDREN, FAMILIES, AND LEARNING.

Subdivision 1. The department shall be under the administrative control of the commissioner of children, families, and learning which office is established. The commissioner shall be the secretary of the state board. The governor shall appoint the commissioner 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.

[For text of subd 3, see M.S.1994]

History: *1Sp1995 c 3 art 16 s 13*

121.1601 OFFICE OF DESEGREGATION/INTEGRATION.

Subdivision 1. **Establishment.** (a) An office of desegregation/integration is established in the department of children, families, and learning to coordinate and support activities related to student enrollment, student and staff recruitment and retention, transportation, and interdistrict cooperation among metropolitan school districts.

(b) At the request of a metropolitan school district involved in cooperative desegregation/integration efforts, the office shall perform any of the following activities:

- (1) assist districts with interdistrict student transfers, including student recruitment, counseling, placement, and transportation;
- (2) coordinate and disseminate information about schools and programs;
- (3) assist districts with new magnet schools and programs;
- (4) assist districts in providing staff development and in-service training; and
- (5) coordinate and administer staff exchanges.

(c) The office shall collect data on the efficacy of districts' desegregation/integration efforts and make recommendations based on the data. The office shall periodically consult with the metropolitan council to coordinate school desegregation/integration efforts with the housing, social, economic, and infrastructure needs of the metropolitan area. The office shall develop a process for resolving students' disputes and grievances about student transfers under a desegregation/integration plan.

[For text of subds 2 and 3, see M.S.1994]

History: *1Sp1995 c 3 art 16 s 13*

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 children, families, and learning for the evaluation of the educational institutions. The institutions shall submit the policy to the commissioner of children, families, and learning 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: *1Sp1995 c 3 art 16 s 13*

121.203 HEALTH-RELATED PROGRAMS.

Subdivision 1. AIDS program. The commissioner of children, families, and learning, 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.

[For text of subd 2, see M.S.1994]

History: *1Sp1995 c 3 art 16 s 13*

121.207 REPORTS OF DANGEROUS WEAPON INCIDENTS IN SCHOOL ZONES.

[For text of subd 1, see M.S.1994]

Subd. 2. Reports; content. On or before January 1, 1994, the commissioner of children, families, and learning, in consultation with the criminal and juvenile information policy group, shall develop a standardized form to be used by schools to report incidents involving the use or possession of a dangerous weapon in school zones. The form shall include the following information:

- (1) a description of each incident, including a description of the dangerous weapon involved in the incident;
- (2) where, at what time, and under what circumstances the incident occurred;
- (3) information about the offender, other than the offender's name, including the offender's age; whether the offender was a student and, if so, where the offender attended school; and whether the offender was under school expulsion or suspension at the time of the incident;
- (4) information about the victim other than the victim's name, if any, including the victim's age; whether the victim was a student and, if so, where the victim attended school; and if the victim was not a student, whether the victim was employed at the school;
- (5) the cost of the incident to the school and to the victim; and
- (6) the action taken by the school administration to respond to the incident.

The commissioner also shall develop an alternative reporting format that allows school districts to provide aggregate data, with an option to use computer technology to report the data.

Subd. 3. Reports; filing requirements. By February 1 and July 1 of each year, each school shall report incidents involving the use or possession of a dangerous weapon in school zones to the commissioner of children, families, and learning. The reports shall be made on the standardized forms or using the alternative format developed by the commissioner under subdivision 2. The commissioner shall compile the information it receives from the schools and report it annually to the commissioner of public safety, the criminal and juvenile information policy group, and the legislature.

History: *1Sp1995 c 3 art 9 s 7,8; art 16 s 13*

121.585 LEARNING YEAR PROGRAMS.

[For text of subd 1, see M.S.1994]

Subd. 2. State board designation. An area learning center designated by the state must be a site. To be designated, a district or center must demonstrate to the commissioner of children, families, and learning 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.

[For text of subds 3 to 6, see M.S.1994]

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 children, families, and learning 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.

[For text of subd 8, see M.S.1994]

History: *1Sp1995 c 3 art 16 s 13*

121.602 EDUCATIONAL EFFECTIVENESS PROGRAM.

[For text of subd 1, see M.S.1994]

Subd. 2. Advisory task force; program implementation. The commissioner of children, families, and learning shall develop and maintain a program of educational effectiveness and results-oriented instruction. The commissioner may appoint an advisory task force to assist the department of children, families, and learning in developing an implementation program for providing staff development to school district staff in educational effectiveness. The program shall be based on established principles of instructional design and the essential elements of effective instruction as determined by educational research. The program shall

take into account the diverse needs of the school districts due to such factors as district size and location.

[For text of subd 3, see M.S.1994]

Subd. 4. Educational effectiveness staff development. The department of children, families, and learning shall provide assistance to the school districts in implementing an educational effectiveness program. 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. The department shall evaluate the performance of the service providers. The staff development shall be facilitated by building level decision-making teams. The staff development shall include clarification of individual school missions, goals, expectations, enhancement of collaborative planning and collegial relationships among the building staff, improvement of curriculum, assessment, instructional and organizational skills, improvement of financial and management skills, and planning of other staff development programs.

[For text of subd 5, see M.S.1994]

History: *1Sp1995 c 3 art 16 s 13*

121.608 EDUCATIONAL EFFECTIVENESS PLAN.

The commissioner of children, families, and learning shall develop a comprehensive statewide plan for maintaining and improving educational effectiveness in early childhood family education programs through secondary education programs. The plan shall include provisions for the participation of post-secondary teacher preparation programs and early childhood family education programs. 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: *1Sp1995 c 3 art 16 s 13*

121.612 MINNESOTA ACADEMIC EXCELLENCE FOUNDATION.

[For text of subs 1 and 2, see M.S.1994]

Subd. 3. Board of directors. The board of directors of the foundation shall consist of the commissioner of children, families, and learning, 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 children, families, and learning 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.

[For text of subs 4 to 10, see M.S.1994]

History: *1Sp1995 c 3 art 16 s 13*

121.702 DEFINITIONS.

[For text of subs 1 to 9, see M.S.1994]

Subd. 10. Council. "Council" means the governor's workforce development council.

History: *1Sp1995 c 3 art 4 s 2*

NOTE: Subdivision 9 is repealed by Laws 1995, First Special Session chapter 3, article 4, section 31, effective July 1, 1997, if the governor's workforce development council meets all federal requirements for the commission on national and community service. See Laws 1995, First Special Session chapter 3, article 4, section 32, paragraph (a).

121.703 MINNESOTA COMMISSION ON NATIONAL AND COMMUNITY SERVICE.

[For text of subd 1, see M.S.1994]

Subd. 2. Membership. (a) The commission consists of 18 voting members. Voting members shall include the commissioner of children, families, and learning, a representative of the children's cabinet elected by the members of the children's cabinet, and the executive director of the higher education services office.

(b) The governor shall appoint 15 additional voting members. Eight of the voting members appointed by the governor shall include a representative of public or nonprofit organizations experienced in youth employment and training, organizations promoting adult service and volunteerism, community-based service agencies or organizations, local public or private sector labor unions, local governments, business, a national service program, and Indian tribes. The remaining seven voting members appointed by the governor shall include an individual with expertise in the educational, training, and development needs of youth, particularly disadvantaged youth; a youth or young adult who is a participant in a higher education-based service-learning program; a disabled individual representing persons with disabilities; a youth who is out-of-school or disadvantaged; an educator of primary or secondary students; an educator from a higher education institution; and an individual between the ages of 16 and 25 who is a participant or supervisor in a youth service program.

(c) The governor shall appoint up to five ex officio nonvoting members from among the following agencies or organizations: the departments of economic security, natural resources, human services, health, corrections, agriculture, public safety, finance, and labor and industry, the Minnesota office of volunteer services, the housing finance agency, and Minnesota Technology, Inc. A representative of the corporation for national and community service shall also serve as an ex officio nonvoting member.

(d) Voting and ex officio nonvoting members may appoint designees to act on their behalf. The number of voting members who are state employees shall not exceed 25 percent.

(e) The governor shall ensure that, to the extent possible, the membership of the commission is balanced according to geography, race, ethnicity, age, and gender. The speaker of the house and the majority leader of the senate shall each appoint two legislators to be nonvoting members of the commission.

Subd. 3. Duties. (a) The commission shall:

(1) develop, with the assistance of the governor, the commissioner of children, families, and learning, and affected state agencies, a comprehensive state plan to provide services under sections 121.701 to 121.710 and federal law;

(2) actively pursue public and private funding sources for services, including funding available under federal law;

(3) coordinate volunteer service-learning programs within the state;

(4) develop, in cooperation with the workforce development council and the commissioner of children, families, and learning, volunteer service-learning programs, including curriculum, materials, and methods of instruction;

(5) work collaboratively with the workforce development council, the commissioner of children, families, and learning, schools, public and private agencies, for-profit and non-profit employers, and labor unions to identify mentoring and service-learning opportunities, solicit and recruit participants for these programs, and disseminate information on the programs;

(6) administer the youth works grant program under sections 121.704 to 121.709, with assistance from the commissioner of children, families, and learning and the executive director of the higher education services office, including soliciting and approving grant applications from eligible organizations, and administering individual postservice benefits;

(7) establish an evaluation plan for programs developed and services provided under sections 121.701 to 121.710;

(8) report to the governor, commissioner of children, families, and learning, and legislature;

(9) provide oversight and support for school, campus, and community-based service programs; and

(10) administer the federal AmeriCorps program.

(b) Nothing in sections 121.701 to 121.710 precludes an organization from independently seeking public or private funding to accomplish purposes similar to those described in paragraph (a).

History: 1995 c 131 s 2; 1995 c 212 art 3 s 59; 1Sp1995 c 3 art 4 s 30; art 16 s 13

121.705 YOUTH WORKS GRANTS.

Subdivision 1. **Application.** An eligible organization interested in receiving a grant under sections 121.704 to 121.709 may prepare and submit to the commission, and beginning January 1, 1997, the council, an application that complies with section 121.706.

Subd. 2. **Grant authority.** The commission and, beginning January 1, 1997, the council shall use any state appropriation and any available federal funds, including any grant received under federal law, to award grants to establish programs for youth works meeting the requirements of section 121.706. At least one grant each must be available for a metropolitan proposal, a rural proposal, and a statewide proposal. If a portion of the suburban metropolitan area is not included in the metropolitan grant proposal, the statewide grant proposal must incorporate at least one suburban metropolitan area. In awarding grants, the commission and, beginning January 1, 1997, the council may select at least one residential proposal and one nonresidential proposal, provided the proposals meet or exceed the criteria in section 121.706.

History: 1Sp1995 c 3 art 4 s 3

121.706 GRANT APPLICATIONS.

Subdivision 1. **Applications required.** An organization seeking federal or state grant money under sections 121.704 to 121.709 shall prepare and submit to the commission and, beginning January 1, 1997, the council an application that meets the requirements of this section. The commission and, beginning January 1, 1997, the council shall develop, and the applying organizations shall comply with, the form and manner of the application.

Subd. 2. **Application content.** An applicant on its application shall:

(1) propose a program to provide participants the opportunity to perform community service to meet specific unmet community needs, and participate in classroom, work-based, and service-learning;

(2) assess the community's unmet educational, human, environmental, and public safety needs, the resources and programs available for meeting those needs, and how young people participated in assessing community needs;

(3) describe the educational component of the program, including classroom hours per week, classroom time for participants to reflect on the program experience, and anticipated academic outcomes related to the service experience;

(4) describe the work to be performed, the ratio of youth participants to crew leaders and mentors, and the expectations and qualifications for crew leaders and mentors;

(5) describe local funds or resources available to meet the match requirements of section 121.709;

(6) describe any funds available for the program from sources other than the requested grant;

(7) describe any agreements with local businesses to provide participants with work-learning opportunities and mentors;

(8) describe any agreement with local post-secondary educational institutions to offer participants course credits for their community service-learning experience;

(9) describe any agreement with a local high school or an alternative learning center to provide remedial education, credit for community service work and work-based learning, or graduate equivalency degrees;

(10) describe any pay for service or other program delivery mechanism that will provide reimbursement for benefits conferred or recover costs of services participants perform;

(11) describe how local resources will be used to provide support and assistance for participants to encourage them to continue with the program, fulfill the terms of the contract, and remain eligible for any postservice benefit;

(12) describe the arbitration mechanism for dispute resolution required under section 121.707, subdivision 2;

(13) describe involvement of community leaders in developing broad-based support for the program;

(14) describe the consultation and sign-off process to be used with any local labor organization representing employees in the area engaged in work similar to that proposed for the program to ensure that no current employees or available employment positions will be displaced by program participants;

(15) certify to the commission and, beginning January 1, 1997, the council, and to any certified bargaining representatives representing employees of the applying organization that the project will not decrease employment opportunities that would be available without the project; will not displace current employees including any partial displacement in the form of reduced hours of work other than overtime, wages, employment benefits, or regular seasonal work; will not impair existing labor agreements; and will not result in the substitution of project funding for preexisting funds or sources of funds for ongoing work;

(16) describe the length of the required service period, which may not be less than six months or more than two years, a method to incorporate a participant's readiness to advance or need for postservice financial assistance into individual service requirements, and any opportunity for participating part time or in another program;

(17) describe a program evaluation plan that contains cost-effectiveness measures, measures of participant success including educational accomplishments, job placements, community contributions, and ongoing volunteer activities, outcome measures based on a preprogram and postprogram survey of community rates of arrest, incarceration, teenage pregnancy, and other indicators of youth in trouble, and a list of local resources dedicated to reducing these rates;

(18) describe a three-year financial plan for maintaining the program;

(19) describe the role of local youth in developing all aspects of the grant proposal; and

(20) describe the process by which the local private industry council participated in, and reviewed the grant application.

History: *1Sp1995 c 3 art 4 s 4.30*

121.707 PROGRAM PROVISIONS.

[For text of subd 1, see M.S.1994]

Subd. 2. Terms of service. (a) A participant shall agree to perform community service for the period required unless the participant is unable to complete the terms of service for the reason provided in paragraph (b).

An agreement to perform community service must be in the form of a written contract between the participant and the grantee organization. Terms of the contract must include a length of service between six months and two years, the amount of the postservice benefit earned upon completion of the contracted length of service, the participant's education goals and commitment, the anticipated date of completion, dismissal for cause, including failure to fully participate in the education component, and the exclusive right to challenge a dismissal for cause through binding arbitration. The arbitrator must be chosen jointly by the grantee organization and the participant from the community or, if agreement cannot be reached, an arbitrator must be determined from a list of arbitrators provided by the American Arbitration Association. The sole remedy available to the participant through arbitration is reinstatement

to the program and eligibility for postservice benefits. The parent or guardian of a minor shall consent in writing to the contract between the participant and the grantee organization.

(b) If the grantee organization releases a participant from completing a term of service in a program receiving assistance under sections 121.704 to 121.709 for compelling personal circumstances as demonstrated by the participant, or if the program in which the participant serves does not receive continued funding for any reason, the grantee organization may provide the participant with that portion of the financial assistance described in subdivision 3 that corresponds to the quantity of the service obligation completed by the individual.

If the grantee organization terminates a participant for cause or a participant resigns without demonstrating compelling personal circumstances under this section, no postservice benefit under subdivision 3 may be paid.

(c) A participant performing part-time service under sections 121.701 to 121.710 shall serve at least two weekends each month and two weeks during the year. A part-time participant shall serve at least 900 hours during a period of not more than two years, or three years if enrolled in an institution of higher education. A participant performing full-time service under sections 121.701 to 121.710 shall serve at least 1,700 hours during a period of not less than nine months, or more than one year.

(d) Notwithstanding any other law to the contrary, for purposes of tort liability under sections 3.732 and 3.736, while participating in a program a participant is an employee of the state.

(e) Participants performing community service in a program are not public employees for purposes of chapter 43A, 179A, 197, 353, or any other law governing hiring or discharging of public employees.

Subd. 3. Postservice benefit. (a) Each eligible organization shall agree to provide to every participant who fulfills the terms of a contract under section 121.707, subdivision 2, a nontransferable postservice benefit. The benefit must be not less than \$4,725 per year of full-time service or prorated for part-time service or for partial service of at least 900 hours. Upon signing a contract under section 121.707, subdivision 2, each eligible organization shall deposit funds to cover the full amount of postservice benefits obligated, except for national education awards that are deposited in the national service trust fund. Funds encumbered in fiscal years 1994 and 1995 for postservice benefits shall be available until the participants for whom the funds were encumbered are no longer eligible to draw benefits.

(b) Nothing in this subdivision prevents a grantee organization from using funds from nonfederal or nonstate sources to increase the value of postservice benefits above the value described in paragraph (a).

(c) The higher education services office shall establish an account for depositing funds for postservice benefits received from eligible organizations. If a participant does not complete the term of service or, upon successful completion of the program, does not use a postservice benefit according to subdivision 4 within seven years, the amount of the postservice benefit shall be refunded to the eligible organization or, at the organization's discretion, dedicated to another eligible participant. Interest earned on funds deposited in the postservice benefit account is appropriated to the higher education services office for the costs of administering the postservice benefits accounts.

(d) The state shall provide an additional postservice benefit to any participant who successfully completes the program. The benefit must be a credit of five points to be added to the competitive open rating of a participant who obtains a passing grade on a civil service examination under chapter 43A. The benefit is available for five years after completing the community service.

Subd. 4. Uses of postservice benefits. (a) A postservice benefit for a participant provided under subdivision 3, paragraph (a), (b), or (c), must be available for seven years after completing the program and may only be used for:

- (1) paying a student loan;
- (2) costs of attending an institution of higher education; or
- (3) expenses incurred by a student in an approved youth apprenticeship program under chapter 126B, or in a registered apprenticeship program approved by the department of labor and industry.

Financial assistance provided under this subdivision must be in the form of vendor payments whenever possible. Any postservice benefits provided by federal funds or vouchers may be used as a downpayment on, or closing costs for, purchasing a first home.

(b) Postservice benefits are to be used to develop skills required in occupations where numbers of jobs are likely to increase. The commission, in consultation with the workforce development council, and beginning January 1, 1997, the workforce development council, shall determine how the benefits may be used in order to best prepare participants with skills that build on their service-learning and equip them for meaningful employment.

(c) The postservice benefit shall not be included in determining financial need when establishing eligibility or award amounts for financial assistance programs under chapter 136A.

[For text of subd 5, see M.S.1994]

Subd. 6. Program training. (a) The commission and, beginning January 1, 1997, the council shall, within available resources, ensure an opportunity for each participant to have three weeks of training in a residential setting. If offered, each training session must:

(1) orient each participant in the nature, philosophy, and purpose of the program;

(2) build an ethic of community service through general community service training;

and

(3) provide additional training as it determines necessary.

(b) Each grantee organization shall also train participants in skills relevant to the community service opportunity.

Subd. 7. Training and education requirements. Each grantee organization shall assess the educational level of each entering participant. Each grantee shall work to enhance the educational skills of each participant. The commission and, beginning January 1, 1997, the council may coordinate or contract with educational institutions or other providers for educational services and evaluation. All grantees shall give priority to educating and training participants who do not have a high school diploma or its equivalent, or who cannot afford post-secondary training and education.

History: 1995 c 131 s 2; 1995 c 212 art 3 s 59; 1Sp1995 c 3 art 4 s 5-9,30

121.708 PRIORITY.

The commission and, beginning January 1, 1997, the council shall give priority to an eligible organization proposing a program that meets the goals of sections 121.704 to 121.707, and that:

(1) involves youth in a meaningful way in all stages of the program, including assessing community needs, preparing the application, and assuming postservice leadership and mentoring responsibilities;

(2) serves a community with significant unmet needs;

(3) provides an approach that is most likely to reduce arrest rates, incarceration rates, teenage pregnancy, and other indicators of troubled youth;

(4) builds linkages with existing, successful programs; and

(5) can be operational quickly.

History: 1Sp1995 c 3 art 4 s 10

121.709 MATCH REQUIREMENTS.

Youth works grant funds must be used for the living allowance, cost of employer taxes under sections 3111 and 3301 of the Internal Revenue Code of 1986, workers' compensation coverage, and health benefits for each program participant. Youthworks grant funds may also be used to supplement applicant resources to fund postservice benefits for program participants. Applicant resources, from sources and in a form determined by the commission and, beginning January 1, 1997, the council, must be used to provide for all other program costs, including the portion of the applicant's obligation for postservice benefits that is not covered by state or federal grant funds and such costs as supplies, materials, transportation,

and salaries and benefits of those staff directly involved in the operation, internal monitoring, and evaluation of the program. Administrative expenses must not exceed five percent of total program costs.

History: *1Sp1995 c 3 art 4 s 11*

121.710 EVALUATION AND REPORTING REQUIREMENTS.

Subdivision 1. Grantee organizations. Each grantee organization shall report to the commission and, beginning January 1, 1997, the council at the time and on the matters requested by the commission and, beginning January 1, 1997, the council.

Subd. 2. Interim report. The commission and, beginning January 1, 1997, the council shall report semiannually to the legislature with interim recommendations to change the program.

Subd. 3. Final report. The commission and, beginning January 1, 1997, the council shall present a final report to the legislature by January 1, 1998, summarizing grantee evaluations, reporting on individual participants and participating grantee organizations, and recommending any changes to improve or expand the program.

History: *1Sp1995 c 3 art 4 s 12*

121.835 WAY TO GROW/SCHOOL READINESS PROGRAM.

Subdivision 1. Administration. The commissioner of children, families, and learning shall administer the way to grow/school readiness program, in collaboration with the commissioners of health and human services, to promote intellectual, social, emotional, and physical development and school readiness of children prebirth to age six by coordinating and improving access to community-based and neighborhood-based services that support and assist all parents in meeting the health and developmental needs of their children at the earliest possible age.

[For text of subds 2 and 3, see M.S.1994]

Subd. 4. Distribution. The commissioner of children, families, and learning shall give priority to funding existing programs.

To the extent possible, the commissioner shall award grants to applicants with experience or demonstrated ability in providing comprehensive, multidisciplinary, community-based programs with objectives similar to those listed in subdivision 2, or in providing other human services or social services programs using a multidisciplinary, community-based approach.

Subd. 5. Applications. Each grant application must propose a five-year program designed to accomplish the purposes of this section. The application must be submitted on forms provided by the commissioner of children, families, and learning. The grant application must include:

(1) a description of the specific neighborhoods that will be served under the program and the name, address, and a description of each community agency or agencies with which the applicant intends to contract to provide services using grant money;

(2) a letter of intent from each community agency identified in clause (1) that indicates the agency's willingness to participate in the program and approval of the proposed program structure and components;

(3) a detailed description of the structure and components of the proposed program and an explanation of how each component will contribute to accomplishing the purposes of this section;

(4) a description of how public and private resources, including schools, health care facilities, government agencies, neighborhood organizations, and other resources, will be coordinated and made accessible to families in target neighborhoods, including letters of intent from public and private agencies indicating their willingness to cooperate with the program;

(5) a detailed, proposed budget that demonstrates the ability of the program to accomplish the purposes of this section using grant money and other available resources, including funding sources other than a grant; and

(6) a comprehensive evaluation plan for measuring the success of the program in meeting the objectives of the overall grant program and the individual grant project, including an assessment of the impact of the program in terms of at least three of the following criteria:

- (i) utilization rates of community services;
- (ii) availability of support systems for families;
- (iii) birth weights of newborn babies;
- (iv) child accident rates;
- (v) utilization rates of prenatal care;
- (vi) reported rates of child abuse;
- (vii) rates of health screening and evaluation; and
- (viii) school readiness of way to grow participants compared to nonparticipants.

[For text of subd 6, see M.S.1994]

Subd. 7. Advisory committees. The commissioner of children, families, and learning shall establish a program advisory committee consisting of persons knowledgeable in child development, child health, and family services, who reflect the geographic, cultural, racial, and ethnic diversity of the state; and representatives of the commissioners of children, families, and learning, human services, and health. This program advisory committee shall review grant applications, assist in distribution of the grants, and monitor progress of the way to grow/school readiness program. Each grantee must establish a program advisory board of 12 or more members to advise the grantee on program design, operation, and evaluation. The board must include representatives of local units of government and representatives of the project area who reflect the geographic, cultural, racial, and ethnic diversity of that community.

[For text of subd 8, see M.S.1994]

History: 1Sp1995 c 3 art 16 s 13

121.8355 FAMILY SERVICES AND COMMUNITY-BASED COLLABORATIVES.

[For text of subs 1 and 1a, see M.S.1994]

Subd. 2. Duties. (a) Each collaborative shall:

- (1) establish, with assistance from families and service providers, clear goals for addressing the health, developmental, educational, and family-related needs of children and youth and use outcome-based indicators to measure progress toward achieving those goals;
- (2) establish a comprehensive planning process that involves all sectors of the community, identifies local needs, and surveys existing local programs;
- (3) integrate service funding sources so that children and their families obtain services from providers best able to anticipate and meet their needs;
- (4) coordinate families' services to avoid duplicative and overlapping assessment and intake procedures;
- (5) focus primarily on family-centered services;
- (6) encourage parents and volunteers to actively participate by using flexible scheduling and actively recruiting volunteers;
- (7) provide services in locations that are readily accessible to children and families;
- (8) use new or reallocated funds to improve or enhance services provided to children and their families;
- (9) identify federal, state, and local institutional barriers to coordinating services and suggest ways to remove these barriers; and
- (10) design and implement an integrated local service delivery system for children and their families that coordinates services across agencies and is client centered. The delivery system shall provide a continuum of services for children birth to age 18, or birth through age 21 for individuals with disabilities. The collaborative shall describe the community plan for serving pregnant women and children from birth to age six.

(b) The outcome-based indicators developed in paragraph (a), clause (1), may include the number of low birth weight babies, the infant mortality rate, the number of children who are adequately immunized and healthy, require out-of-home placement or long-term special education services, and the number of minor parents.

[For text of subs 3 to 7, see M.S.1994]

History: *1Sp1995 c 3 art 3 s 4*

121.88 COMMUNITY EDUCATION PROGRAMS; ADVISORY COUNCIL.

[For text of subs 1 to 6, see M.S.1994]

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 children, families, and learning. Approval may be for five years. During that time, a school board must report any significant changes to the department for approval. 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.

[For text of subd 8, see M.S.1994]

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 that provides young people with meaningful opportunities to become involved in their community, develop individual capabilities, make career connections, seek support networks and services, become active citizens, and 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, after considering the results of the commissioner's study under section 121.885, subdivision 1, 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;
- (4) integration of academic learning with the service experience; and
- (5) integration of youth community service with elementary and secondary curriculum. 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;
- (5) environmental services; and
- (6) service-learning programs in which schools, including post-secondary schools, and employers work together with young people to provide them with meaningful opportu-

nities for community service and with the academic and technical skills that employers require.

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.

[For text of subd 10, see M.S.1994]

History: *1Sp1995 c 3 art 4 s 30; art 16 s 13*

121.882 EARLY CHILDHOOD FAMILY EDUCATION PROGRAMS.

[For text of subs 1 to 2a, see M.S.1994]

Subd. 2b. Home visiting program. (a) The commissioner of children, families, and learning shall include as part of the early childhood family education programs a parent education component to prevent child abuse and neglect. This parent education component must include:

(1) expanding statewide the home visiting component of the early childhood family education programs;

(2) training parent educators, child educators, community outreach workers, and home visitors in the dynamics of child abuse and neglect and positive parenting and discipline practices; and

(3) developing and disseminating education and public information materials that promote positive parenting skills and prevent child abuse and neglect.

(b) The parent education component must:

(1) offer to isolated or at-risk families home visiting parent education services that at least address parenting skills, a child's development and stages of growth, communication skills, managing stress, problem-solving skills, positive child discipline practices, methods of improving parent-child interactions and enhancing self-esteem, using community support services and other resources, and encouraging parents to have fun with and enjoy their children;

(2) develop a risk assessment tool to determine the family's level of risk;

(3) establish clear objectives and protocols for home visits;

(4) determine the frequency and duration of home visits based on a risk-need assessment of the client, with home visits beginning in the second trimester of pregnancy and continuing, based on client need, until a child is six years old;

(5) encourage families to make a transition from home visits to site-based parenting programs to build a family support network and reduce the effects of isolation;

(6) develop and distribute education materials on preventing child abuse and neglect that may be used in home visiting programs and parent education classes and distributed to the public;

(7) initially provide at least 40 hours of training and thereafter ongoing training for parent educators, child educators, community outreach workers, and home visitors that covers the dynamics of child abuse and neglect, domestic violence and victimization within family systems, signs of abuse or other indications that a child may be at risk of being abused or neglected, what child abuse and neglect are, how to properly report cases of child abuse and neglect, respect for cultural preferences in child rearing, what community resources, social service agencies, and family support activities and programs are available, child development and growth, parenting skills, positive child discipline practices, identifying stress factors and techniques for reducing stress, home visiting techniques, and risk assessment measures;

(8) provide program services that are community-based, accessible, and culturally relevant; and

(9) foster collaboration among existing agencies and community-based organizations that serve young children and their families.

(c) Home visitors should reflect the demographic composition of the community the home visitor is serving to the extent possible.

[For text of subs 3 to 8, see M.S.1994]

Subd. 9. Assistance. The department of children, families, and learning 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.

History: *1Sp1995 c 3 art 16 s 13*

121.885 SERVICE-LEARNING AND WORK-BASED LEARNING CURRICULUM AND PROGRAMS.

Subdivision 1. Service-learning and work-based learning programs study. The governor's workforce development council shall assist the commissioner of children, families, and learning in studying how to combine community service activities and service-learning with work-based learning programs.

Subd. 2. Service-learning programs developed. The commissioner, in consultation with the commission, shall develop a service-learning program curriculum that includes a policy framework and strategies for youth community service and an infrastructure for mentoring youth. The commissioner shall include in the curriculum at least the following:

(1) youth community service strategies that enable young people to make significant contributions to the welfare of their community through such organizations as schools, colleges, government agencies, and community-based organizations or through individual efforts;

(2) mentoring strategies that enable young people to be matched with caring, responsible individuals who can encourage and guide the young people in their personal growth and development;

(3) guidelines, criteria, and procedures for community service programs that incorporate the results of the study in subdivision 1; and

(4) criteria for community service activities and service-learning.

Subd. 3. Structuring programs according to grade or education level. The service-learning curriculum must accommodate students' grade level or the last completed grade level of the participants not currently enrolled in school. Schools must provide at least the following:

(1) for students in grades 7 to 9, an opportunity to learn about service-learning activities and possible occupations;

(2) for students in grade 10, an opportunity to apply for service-learning under section 121.88, subdivision 9, and youth apprenticeship programs; and

(3) for students in grades 11 and 12 and young people not currently enrolled in school, an opportunity to become involved in community service activities, participate in youth apprenticeship programs, and, depending upon the individual's demonstrated abilities, complete high school or pursue post-secondary coursework.

Subd. 4. Programs following youth community service. (a) The Minnesota commission on national and community service in cooperation with the governor's workforce development council, the commissioner and the higher education services office, shall provide for those participants who successfully complete youth community service under sections 121.704 to 121.709, the following:

(1) for those who have a high school diploma or its equivalent, an opportunity to participate in a youth apprenticeship program at a community or technical college; and

(2) for those who are post-secondary students, an opportunity to participate in an educational program that supplements post-secondary courses leading to a degree or a state-wide credential of academic and occupational proficiency.

(b) Participants who successfully complete a youth community service program under sections 121.704 to 121.710 are eligible to receive an education voucher as provided under section 121.707, subdivision 4. The voucher recipient may apply the voucher toward the cost of the recipient's tuition and other education-related expenses at a post-secondary school under paragraph (a).

(c) The governor's workforce development council, in cooperation with the board of trustees of the Minnesota state colleges and universities, shall establish a mechanism to transfer credit earned in a youth apprenticeship program between the technical colleges and other post-secondary institutions offering applied associate degrees.

History: 1995 c 212 art 3 s 59; 1Sp1995 c 3 art 4 s 13,14,30

121.904 REVENUE; REPORTING.

[For text of subs 1 to 4, see M.S.1994]

Subd. 4a. Levy recognition. (a) "School district tax settlement revenue" means the current, delinquent, and manufactured home property tax receipts collected by the county and distributed to the school district, including distributions made pursuant to section 279.37, subdivision 7, and excluding the amount levied pursuant to section 124.914, subdivision 1.

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

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

(2) the sum of the state aids and credits enumerated in section 124.155, subdivision 2, which are for the fiscal year payable in that fiscal year plus an amount equal to the levy recognized as revenue in June of the prior year plus 48 percent for fiscal year 1996 and thereafter 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) 48 percent for fiscal year 1996 and thereafter 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 124.914, subdivision 1;

(iii) retirement and severance pay pursuant to sections 122.531, subdivision 9, 124.2725, subdivision 15, 124.4945, 124.912, subdivision 1, and 124.916, subdivision 3, and Laws 1975, chapter 261, section 4;

(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 136C.411; and

(v) amounts levied under section 124.755.

(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. 4c. Change in levy recognition percent. (a) Money appropriated under section 16A.152, subdivision 2, 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), excluding those levies that are shifted for revenue recognition but are not included in the computation of the adjustment to aids under section 124.155, subdivision 1, reduced by the difference between the amount of money appropriated under section 16A.152, subdivision 2, and the amount required for the adjustment payment under clause (d), 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), excluding those levies that are shifted for revenue recognition but are not included in the computation of the adjustment to aids under section 124.155, subdivision 1.

The result shall be rounded up to the nearest one-tenth of a 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 children, families, and learning the levy recognition percent computed under this subdivision by January 5 of each year. The commissioner of children, families, and learning must notify school districts of a change in the levy recognition percent by January 15.

(d) When the levy recognition percent is increased or decreased as provided in this subdivision, a special aid adjustment shall be made to each school district with an operating referendum levy:

(i) When the levy recognition percent is increased from the prior fiscal year, the commissioner of children, families, and learning shall calculate the difference between (1) the amount of the levy under section 124A.03, that is recognized as revenue for the current fiscal year according to subdivision 4a; and (2) the amount of the levy, under section 124A.03, that would have been recognized as revenue for the current fiscal year had the percentage according to subdivision 4a, not been increased. The commissioner shall reduce other aids due the district by the amount of the difference. This aid reduction shall be in addition to the aid reduction required because of the increase pursuant to this subdivision of the levy recognition percent.

(ii) When the levy recognition percent is reduced from the prior fiscal year, a special adjustment payment shall be made to each school district with an operating referendum levy that received an aid reduction when the levy recognition percent was last increased. The special adjustment payment shall be in addition to the additional payments required because of the reduction pursuant to this subdivision of the levy recognition percent. The amount of the special adjustment payment shall be computed by the commissioner of children, families, and learning such that any remaining portion of the aid reduction these districts received that has not been repaid is repaid on a proportionate basis as the levy recognition percent is reduced from 50 percent to 31 percent. The special adjustment payment must be included in the state aid payments to school districts according to the schedule specified in section 124.195, subdivision 3.

(e) The commissioner of finance shall transfer from the general fund to the education aids appropriations specified by the commissioner of children, families, and learning, 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.152, subdivision 2, 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 children, families, and learning the amount available for computing the aid payment percentage. The commis-

sioner of children, families, and learning 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 children, families, and learning 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 children, families, and learning must notify school districts of an increase in the percentage payment of current year school aids under this subdivision within 30 days.

[For text of subs 11 to 14, see M.S.1994]

History: *1Sp1995 c 3 art 1 s 3,4; art 16 s 13*

121.908 ACCOUNTING, BUDGETING AND REPORTING REQUIREMENT.

Subdivision 1. Each Minnesota school district shall adopt the uniform financial accounting and reporting standards for Minnesota school districts provided for in guidelines adopted by the department of children, families, and learning.

[For text of subs 2 to 6, see M.S.1994]

History: *1Sp1995 c 3 art 16 s 13*

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 provided, with a schedule of aid payments to be established by the commissioner of children, families, and learning in consultation with other affected state agencies.

[For text of subs 2 to 4, see M.S.1994]

Subd. 5. **Deficit for capital projects.** Upon approval by the commissioner of children, families, and learning, 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: *1Sp1995 c 3 art 16 s 13*

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 123.7045 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, the balance shall cancel to the district's general fund.

[For text of subd 1a, see M.S.1994]

Subd. 1b. **TRA and FICA transfer.** (a) Notwithstanding subdivision 1, a district may 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.

[For text of subs 2 to 5, see M.S.1994]

Subd. 6. Account transfer for reorganizing districts. A school district that has reorganized according to section 122.22, 122.23, or sections 122.241 to 122.248, or has conducted a successful referendum on the question of combination under section 122.243, subdivision 2, or consolidation under section 122.23, subdivision 13, or has been assigned an identification number by the commissioner under section 122.23, subdivision 14, may make permanent transfers between any of the funds in the newly created or enlarged district with the exception of the debt redemption fund, food service fund, and health and safety account of the capital expenditure fund. Fund transfers under this section may be made for up to one year prior to the effective date of combination or consolidation and during the year following the effective date of reorganization.

[For text of subd 7, see M.S.1994]

History: *1Sp1995 c 3 art 2 s 1; art 4 s 15; art 6 s 1*

NOTE: Subdivision 8 is repealed by Laws 1995, First Special Session chapter 3, article 1, section 63, subdivision 2, effective for revenue for fiscal year 1997.

121.914 STATUTORY OPERATING DEBT.

[For text of subs 1 to 5, see M.S.1994]

Subd. 6. On January 15, 1998, the commissioner of children, families, and learning shall report to the legislature on the districts for which the levy allowable under section 124.914, subdivision 1, has been insufficient to eliminate the statutory operating debt of the district, determined as of June 30, 1977.

[For text of subs 7 and 8, see M.S.1994]

History: *1Sp1995 c 3 art 16 s 13*

121.917 EXPENDITURE LIMITATIONS.

[For text of subs 1 to 3, see M.S.1994]

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 children, families, and learning 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: *1Sp1995 c 3 art 16 s 13*

121.919 FINANCIAL MANAGEMENT ASSISTANCE AND TRAINING TO SCHOOL DISTRICTS AND SCHOOL SITES.

The department of children, families, and learning shall make available to school districts and individual school sites assistance and training in financial management. The assistance and training shall be in at least the following areas:

(1) provision of an updated uniform financial and reporting system manual in both hard copy and computerized form which will be applicable to both the school district and to a school site under site-based management;

(2) regularly scheduled training and assistance in accounting and financial operations, and special assistance as requested;

(3) long-term financial planning, including that involved with district reorganization;

(4) district and school level expenditure and revenue budgeting and other fiscal and organizational requirements, including that under site-based management;

(5) assistance with school, district, and regional capital budget planning; and

(6) the development of a model reporting system for school sites for resource use and outcome achievement. The model shall include characteristics about the student population, staffing levels, and achievement results attributable to the instructional and organizational structure of the school site.

History: *1Sp1995 c 3 art 16 s 13*

121.93 [Repealed, 1Sp1995 c 3 art 9 s 42]

121.931 INFORMATION SYSTEM.

Subdivision 1. **Information system.** The department of children, families, and learning shall develop and maintain a computerized information system for state information needs.

Subd. 2. **Purposes.** The purposes of the computerized information system shall be:

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

(b) To ensure accountability for state appropriations;

(c) To collect data to assess the needs of learners and children;

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

(e) To provide for computerized analysis of educational information to meet the management needs of the state of Minnesota.

Subd. 3. [Repealed by amendment, 1Sp1995 c 3 art 9 s 9]

Subd. 4. [Repealed by amendment, 1Sp1995 c 3 art 9 s 9]

Subd. 5. **Software development.** The commissioner may charge school districts or cooperative units for the actual cost of software development used by the district or cooperative unit. Any amount received is annually appropriated to the department of children, families, and learning for this purpose. A school district or cooperative unit may not implement a payroll, student, or staff software system after June 30, 1994, until the system has been reviewed by the department to ensure that it provides the required data elements and format.

History: *1Sp1995 c 3 art 9 s 9; art 16 s 13*

121.932 DEPARTMENT DUTIES.

Subd. 2. **Data acquisition calendar.** The department of children, families, and learning shall maintain a current annual data acquisition calendar specifying the reports which districts are required to provide to the department and the dates these reports are due.

Subd. 3. **Exemption from chapter 14.** The annual data acquisition calendar and the essential data elements are exempt from the administrative procedure act.

Subd. 4. **Data system.** The department shall develop and operate a computerized data system. The system 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.

Subd. 4a. **Certification of software vendors.** The commissioner shall maintain a list of certified service providers for administrative data processing software and support. To be certified, a service provider must provide the commissioner with a written statement identi-

fyng software products and support functions that will be provided to school districts and stating its intent to meet state standards for software, data elements, edits, and support services. The standards must ensure the quality of the data reported to the state. The commissioner must conduct regular training sessions for service providers on the standards. If a service provider fails to meet the standards, the commissioner must notify the service provider of areas of noncompliance and assist the service provider in correcting the problem. If the provider fails to comply with standards within two months of being notified of noncompliance, the commissioner may remove the service provider from the list of certified providers. The commissioner may recertify a service provider when the commissioner determines that the areas of noncompliance have been corrected.

Subd. 4b. Information on certified service providers. The commissioner must include the list of certified service providers in the annual data acquisition calendar. The commissioner must notify school districts if a service provider is removed from the list and of the areas of noncompliance.

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 must provide the essential data to the department in the form and format prescribed by the department.

Subd. 6. Contracting. The department may provide by contract for the technical support of and the development of applications software by a regional management information center or by any other appropriate provider.

History: *1Sp1995 c 3 art 9 s 10; art 16 s 13*

121.933 DELEGATION OF POWERS AND DUTIES.

Subdivision 1. Permitted delegations. The department may provide, by the delegation of powers and duties or by contract, for the implementation and technical support of a computerized information reporting system, including the development of applications software pursuant to section 121.931, subdivision 5, by any appropriate provider.

History: *1Sp1995 c 3 art 9 s 11*

121.935 REGIONAL MANAGEMENT INFORMATION CENTERS.

Subdivision 1. Creation. Any group of two or more independent, special or common school districts may create a regional management information center pursuant to section 123.582 or 471.59 to provide computer services to school districts.

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.

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 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. [Repealed by amendment, 1Sp1995 c 3 art 9 s 12]

Subd. 4. [Repealed by amendment, 1Sp1995 c 3 art 9 s 12]

Subd. 6. Fees. Regional management information centers may charge fees to affiliated districts for the cost of services provided to the district.

Subd. 8. [Repealed by amendment, 1Sp1995 c 3 art 9 s 12]

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

History: *1Sp1995 c 3 art 13 s 3; 1Sp1995 c 3 art 9 s 12*

121.936 [Repealed, 1Sp1995 c 3 art 9 s 42]