

STATE OF MINNESOTA

SIXTY-NINTH SESSION - 1976

ONE HUNDRED-THIRD DAY

SAINT PAUL, MINNESOTA, THURSDAY, APRIL 1, 1976

The House convened at 11:00 a.m. and was called to order by the Speaker.

Prayer was offered by the Chaplain.

The roll was called and the following members were present:

Abeln	Eckstein	Kaley	Neisen	Sieben, H.
Adams, L.	Eken	Kalis	Nelsen	Sieben, M.
Adams, S.	Enebo	Kelly, R.	Nelson	Sieloff
Albrecht	Erickson	Kelly, W.	Niehaus	Simoneau
Anderson, G.	Esau	Kempe, A.	Norton	Skoglund
Anderson, I.	Evans	Kempe, R.	Novak	Smith
Arlandson	Ewald	Ketola	Osthoff	Smogard
Beauchamp	Faricy	Knickerbocker	Parish	Spanish
Begich	Fjoslien	Knoll	Patton	Stanton
Berg	Forsythe	Kostohryz	Pehler	Suss
Berglin	Friedrich	Kroening	Peterson	Swanson
Biersdorf	Fudro	Kvam	Petraleso	Tomlinson
Braun	Fugina	Laidig	Philbrook	Ulland
Brinkman	George	Langseth	Pleasant	Vanasek
Byrne	Graba	Lemke	Prahl	Vento
Carlson, A.	Hanson	Lindstrom	Reding	Volk
Carlson, L.	Haugerud	Luther	Rice	Voss
Carlson, R.	Heinitz	Mangan	St. Onge	Wenstrom
Casserly	Hokanson	Mann	Samuelson	Wenzel
Clark	Jacobs	McCarron	Sarna	White
Clawson	Jaros	McCauley	Savelkoul	Wieser
Corbid	Jensen	McCollar	Schreiber	Wigley
Dahl	Johnson, C.	McEachern	Schulz	Williamson
Dean	Johnson, D.	Menning	Schumacher	Zubay
DeGroat	Jopp	Metzen	Searle	Speaker Sabo
Dieterich	Jude	Moe	Setzepfandt	
Doty	Kahn	Munger	Sherwood	

A quorum was present.

Birnstihl was excused until 3:00 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. On the motion of Savelkoul the further reading was dispensed with and the Journal was approved as corrected.

PETITIONS AND COMMUNICATIONS

The following communication was received:

STATE OF MINNESOTA
OFFICE OF THE SECRETARY OF STATE
ST. PAUL 55155

March 31, 1976

The Honorable Martin O. Sabo
Speaker of the House of Representatives
The Honorable Alec G. Olson
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1976 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

<i>S.F. No.</i>	<i>H.F. No.</i>	<i>Session Laws Chapter No.</i>	<i>Date Approved 1976</i>	<i>Date Filed 1976</i>
	527	92	March 30	March 30
733		93	March 30	March 30
2344		94	March 30	March 30

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

HOUSE ADVISORY BILLS

Pursuant to Rule 5.3, the following House Advisory Bills were introduced:

Fugina introduced:

H. A. B. No. 78, Study of a proposal designating Voyageurs National Park as a recreation area.

The bill was referred to the Committee on Environment and Natural Resources.

Fugina introduced:

H. A. B. No. 79, Elected commission form of control of the Department of Natural Resources.

The bill was referred to the Committee on Governmental Operations.

Fugina introduced:

H. A. B. No. 80, Study a St. Louis county split proposal.

The bill was referred to the Committee on Local and Urban Affairs.

PROGRESS REPORTS ON CONFERENCE COMMITTEES

Pursuant to Joint Rule 13, Jacobs reported on the progress of H. F. No. 746, now in Conference Committee

Pursuant to Joint Rule 13, Vento reported on the progress of H. F. No. 2043, now in Conference Committee.

Pursuant to Joint Rule 13, Petrafeso reported on the progress of H. F. No. 2203, now in Conference Committee.

Pursuant to Joint Rule 13, Patton reported on the progress of S. F. No. 919, now in Conference Committee.

MESSAGES FROM THE SENATE

The following messages were received from the Senate.

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned:

H. F. No. 1918, A bill for an act relating to the city of Shakopee; authorizing an increase in fire department relief association lump sum service benefits.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 1892, A bill for an act relating to civil defense; requiring the executive council to declare an emergency when a disaster has occurred or is imminent; requiring the division of emergency service to assist in the provision of relief measures when a disaster occurs and to coordinate interjurisdictional disaster planning; amending Minnesota Statutes 1974, Sections 12.01; 12.02, Subdivision 1; 12.03; and Chapters 9, by adding a section; and 12, by adding sections.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Wenzel moved that the House concur in the Senate amendments to H. F. No. 1892 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1892, A bill for an act relating to emergency services; defining disaster and emergency; specifying powers of political subdivisions in relation to local emergencies; providing for loans in disaster areas; amending Minnesota Statutes 1974, Section 12.03; and Chapter 12, by adding sections.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

The question being taken on the repassage of the bill and the roll being called, there were yeas 107, and nays 22, as follows:

Those who voted in the affirmative were:

Abeln	Erickson	Kempe, A.	Nelsen	Sieben, H.
Adams, L.	Esau	Kempe, R.	Novak	Sieben, M.
Adams, S.	Evans	Ketola	Osthoff	Sieloff
Anderson, G.	Ewald	Knickerbocker	Parish	Simoneau
Anderson, I.	Faricy	Knoll	Patton	Smith
Beauchamp	Fjoslien	Kroening	Pehler	Smogard
Begich	Forsythe	Kvam	Petrafeso	Spanish
Berg	Fudro	Laidig	Philbrook	Swanson
Berglin	Fugina	Langseth	Pleasant	Ulland
Biersdorf	George	Lemke	Prahl	Vanasek
Braun	Graba	Lindstrom	Reding	Vento
Brinkman	Hanson	Luther	Rice	Volk
Byrne	Hokanson	Mangan	St. Onge	Voss
Carlson, A.	Jacobs	Mann	Samuelson	Wenstrom
Carlson, L.	Jaros	McCarron	Sarna	Wenzel
Carlson, R.	Jensen	McCauley	Savelkoul	White
Clark	Johnson, C.	McCollar	Schreiber	Wigley
Clawson	Johnson, D.	McEachern	Schulz	Williamson
Dahl	Jopp	Menning	Schumacher	Speaker Sabo
Dean	Jude	Metzen	Searle	
Doty	Kelly, R.	Munger	Setzepfandt	
Enebo	Kelly, W.	Neisen	Sherwood	

Those who voted in the negative were:

Albrecht	Arlandson	Casserly	Corbid	DeGroat
----------	-----------	----------	--------	---------

Dieterich	Haugerud	Kalis	Peterson	Zubay
Eckstein	Heinitz	Kostohryz	Skoglund	
Eken	Kahn	Moe	Stanton	
Friedrich	Kaley	Niehaus	Wieser	

The bill was repassed, as amended by the Senate, and its title agreed to.

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 2233, A bill for an act relating to human services; permitting Otter Tail county to designate a human services board; amending Minnesota Statutes 1974, Section 402.01, Subdivision 1.

PATRICK E. FLAHAVEN, Secretary of the Senate

Wenstrom moved that the House refuse to concur in the Senate amendments to H. F. No. 2233, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two Houses.

A roll call was requested and properly seconded.

The question was taken on the motion and the roll being called, there were yeas 83, and nays 47, as follows:

Those who voted in the affirmative were:

Abeln	Dieterich	Kahn	Moe	Skoglund
Adams, L.	Eckstein	Kalis	Munger	Smogard
Adams, S.	Eken	Kelly, R.	Nelsen	Stanton
Albrecht	Enebo	Kelly, W.	Nelson	Suss
Arlandson	Evans	Knoll	Norton	Swanson
Beauchamp	Faricy	Kostohryz	Petrafeso	Tomlinson
Berg	Fjoslien	Kroening	Philbrook	Ulland
Berglin	Forsythe	Kvam	Reding	Vento
Braun	George	Laidig	Rice	Voss
Brinkman	Hanson	Langseth	Samuelson	Wenstrom
Carlson, A.	Heinitz	Lemke	Schulz	Wieser
Carlson, L.	Hokanson	Lindstrom	Schumacher	Wigley
Casserly	Jacobs	Luther	Sherwood	Williamson
Clark	Jaros	Mangan	Sieben, H.	Zubay
Corbid	Jensen	Mann	Sieben, M.	Speaker Sabo
Dean	Johnson, C.	McCarron	Sieloff	
DeGroat	Jopp	McCollar	Simoneau	

Those who voted in the negative were:

Anderson, G.	Anderson, I.	Begich	Biersdorf	Byrne
--------------	--------------	--------	-----------	-------

Carlson, R.	Fugina	McCauley	Pehler	Smith
Clawson	Graba	McEachern	Peterson	Spanish
Dahl	Johnson, D.	Menning	Pleasant	Vanasek
Doty	Jude	Metzen	Prahl	Volk
Erickson	Kaley	Neisen	St. Onge	Wenzel
Esau	Kempe, A.	Niehaus	Sarna	White
Ewald	Kempe, R.	Novak	Savelkoul	
Friedrich	Ketola	Osthoff	Schreiber	
Fudro	Knickerbocker	Patton	Setzepfandt	

The motion prevailed.

SUSPENSION OF RULES

Petrafeso moved that rule 4.11 be suspended for the remainder of today's session. The motion prevailed.

ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to the Conference Committee on H. F. No. 2233:

Wenstrom, Rice and Schumacher.

The following conference committee report was received:

CONFERENCE COMMITTEE REPORT ON H. F. NO. 1997

A bill for an act relating to the operation of state government; providing for aids to education, tax levies and the distribution of tax revenues; changing the funding of special education, adult vocational education and secondary vocational education to a current funding basis; granting certain powers and duties to school districts, the commissioner of education, and the state board of education; establishing a uniform financial accounting and reporting system for Minnesota school districts; requiring the provision of special education on a shared time basis to non-public school pupils; appropriating money; amending Minnesota Statutes 1974, Sections 120.17, by adding a subdivision; 120.73, Subdivision 1; 120.74, Subdivision 1; 121.21, by adding a subdivision; 122.45, Subdivisions 2 and 3a; 124.212, by adding a subdivision; 124.32, as amended; Chapter 124, by adding sections; Minnesota Statutes, 1975 Supplement, Sections 122.23, Subdivision 15; 122.45, Subdivision 1; 124.04; 124.17, Subdivisions 1 and 2; 124.212, Subdivision 8a; 124.271, Subdivision 2; 124.43, Subdivision 1; 124.561, Subdivision 3, and by adding a subdivision; 124.562, Subdivision 2; 124.563, Subdivision 3, and by adding a subdivision; 124.564; 124.565, Subdivision 2; 124.611, Subdivisions 1 and 2; 275.125, Subdivisions 2a, 4, 5, 8, 9, and 14; repealing Minnesota Statutes 1974, Sections 122.54 and 275.39.

March 22, 1976

The Honorable Martin O. Sabo
Speaker of the House of Representatives
The Honorable Alec G. Olson
President of the Senate

We, the undersigned conferees for H. F. No. 1997 report that we have agreed upon the items in dispute and recommend as follows:

That the senate recede from its amendments and H. F. No. 1997 be amended as follows:

Strike everything after the enacting clause and insert:

"Section 1. [DECLARATION OF POLICY.] *The legislature finds that a process for curriculum evaluation and planning is needed for continued improvement of the educational program for all public school children in the state and to allow for better evaluation of educational programs by local communities. The legislature further finds that such a process is needed to facilitate decisions by school boards and communities as to which services can best be provided by the public schools and which services can or should be provided by other institutions such as the family, the private sector or other public agencies.*

Sec. 2. [PLANNING, EVALUATION AND REPORTING TO PUBLIC; CURRICULUM ADVISORY COMMITTEES.]
Subdivision 1. *The school board of each school district in the state shall develop and adopt a written educational policy which establishes educational goals for the district, a process for achieving these goals, and procedures for evaluating and reporting progress toward the goals. The school board shall review this policy each year and adopt revisions which it deems desirable. School boards are encouraged to develop this school district policy and any revisions after consultation with the staff of each school building.*

Subd. 2. *The school board shall instruct the administrative and professional staff of the district to develop an instructional plan for the purpose of implementing the goals established in the district educational policy within resources available to the district. Insofar as possible the instructional plan shall include measurable instructional objectives to assist in directing and measuring progress toward the goals established in the district educational policy. For goals toward which progress is not easily measurable, the instructional plan shall include other appropriate means to direct and evaluate progress.*

Subd. 3. *Each school board is encouraged to appoint a curriculum advisory committee to provide for active community participation in the process of developing and revising the dis-*

strict educational policy, developing the instructional plan, evaluating progress and reporting to the public.

Subd. 4. Each year a final evaluation of progress shall be conducted, including both professional and consumer evaluations. The professional staff evaluation shall utilize test results and other performance data along with faculty interpretations and judgments. Consumer evaluation shall include the opinions of students, parents and other residents of the community served by the school. Upon receipt of the evaluation reports, each school board shall review the results and develop appropriate school improvement plans to improve areas where goals of the district educational policy have not been met.

Subd. 5. The district educational policy, the reports of the annual evaluation including summary test results, and the plans for school improvement shall be made available to the citizens of the school district through media releases and other means of communicating with the public. These documents shall also be on file and available for inspection by the public. Information copies of the reports shall be sent to the state board of education. All activities and reports pursuant to this section shall comply with Minnesota Statutes, Sections 15.162 to 15.167, and any other law governing data on individuals in school districts.

Sec. 3. [ASSISTANCE TO LOCAL SCHOOL DISTRICTS.] Subdivision 1. Insofar as possible, the state board of education and educational cooperative service units shall make technical assistance for planning and evaluation available to school districts upon request during the 1976-1977 school year. The department shall collect the annual evaluation reports from local districts as provided in section 2, subdivision 5 of this act, and shall make this data available upon request to any district seeking to use it for purposes of comparisons of student performance.

Subd. 2. The department upon written agreement with local school districts may perform testing and evaluation of students. The department may collect a reasonable fee not to exceed the actual cost of services.

Sec. 4. [TIME OF IMPLEMENTATION.] School districts are encouraged to begin planning, evaluation and reporting to the public pursuant to sections 1 and 2 of this act during the 1976-1977 and 1977-1978 school years. All school districts in the state shall engage in planning, evaluation and reporting to the public pursuant to sections 1 and 2 of this act during the 1978-1979 school year and shall submit a report, which has been shared with the public and adopted by the school board, to the state board of education by August 1, 1979. During the summer of 1977, the state board of education shall report to the districts of the state the experiences of the demonstration projects authorized in section 5 of this act and of any similar projects funded from other sources.

Sec. 5. [DEMONSTRATION PROJECTS.] *For the 1976-1977 school year, the state board of education shall make grants to several school districts to develop local plans, evaluation techniques using valid and reliable instruments, and procedures for reporting to the citizens of the school districts. The state board shall encourage these school districts to engage in alternative procedures for planning and reporting. The state board of education is encouraged to use available federal funds to support additional demonstration projects. By November 15, 1977, the state board shall report to the education committees of the legislature on the demonstration projects and their direct and indirect costs.*

Sec. 6. [REPORT TO LEGISLATURE.] *By February 1, 1977, the state board shall report to the legislature on the nature and number of requests for technical assistance received pursuant to section 3 of this act. This report shall contain recommendations on the need for any legislation to provide for improvement in the ability of the department of education to provide this assistance to districts.*

Sec. 7. [APPROPRIATION OF FUNDS.] *There is annually appropriated from the general fund to the department of education any and all amounts received by the department pursuant to section 3, subdivision 2, of this act.*

Sec. 8. [ADVISORY TASK FORCE.] *Subdivision 1. The governor shall appoint a five member advisory task force on nonpublic schools within 30 days of the effective date of this section. The five members shall be representative of the various areas of the state and shall be knowledgeable about nonpublic schools. The task force shall expire May 15, 1977 and the compensation, removal of members and filling of vacancies shall be as provided in Minnesota Statutes, Section 15.059.*

Subd. 2. The task force study shall include, but not be limited to the following areas:

- (a) nonpublic school enrollments and enrollment trends;*
- (b) special education needs of students enrolled in nonpublic schools;*
- (c) special education facilities available to students enrolled in nonpublic schools;*
- (d) nonpublic school curriculum needs;*
- (e) nonpublic school staffing, staffing ratios, and teacher certification;*
- (f) the use of shared time by nonpublic school students;*
- (g) the sharing of facilities by nonpublic and public schools;*

(h) the use of the educational cooperative service units by nonpublic schools;

(i) transportation problems faced by nonpublic schools;

(j) the services provided the nonpublic schools by the department of education or any other educational agency; and

(k) any other problems of nonpublic schools which affect their abilities to provide sound educational programs for children.

Subd. 3. The task force shall report the results of its study and any recommendations it may have developed to the appropriate education committees of the legislature prior to January 15, 1977, and shall be available for consultation during the 1977 legislative session.

Subd. 4. As used in this section, "nonpublic school" means a school as defined in Minnesota Statutes, Section 123.932, Subdivision 3.

Sec. 9. Subdivision 1. Any school district which has been or will be providing educational services to Southeast Asian refugee children from Vietnam, Cambodia, Laos, or Thailand for whom English is a second language may apply before July 1, 1976 to the commissioner of education for state categorical aid. The commissioner shall review the petition by September 1, 1976 to determine whether the district has incurred in the 1975-1976 school year additional and uncompensated costs because of the provision of these services. If the commissioner determines that the district has incurred an additional and uncompensated cost, he shall pay to the district an amount not to exceed \$40 for each Southeast Asian child served.

Subd. 2. All aid distributed pursuant to this section shall be utilized by a school district for the purpose of paying additional and uncompensated costs which have been incurred in the provision of these services.

Subd. 3. Prior to January 15, 1977, the commissioner shall report to the education committees of the senate and the house of representatives on the distribution of these aids. The report shall include (a) the recipients of the aid; (b) the amounts distributed; and (c) the reasons for these distributions.

Sec. 10. For the 1975-76 school year, if a district provides post-secondary vocational-technical education to pupils who are not residents of that district, it shall receive foundation aid for any such pupils who qualify to attend a post-secondary vocational-technical school without tuition pursuant to section 124.565, subdivision 1 or 2.

Sec. 11. *On or before January 15, 1977, the commissioner of education shall gather and report to the committees on education of the senate and the house of representatives the following information:*

(a) *An enumeration and description of educational alternative programs operating in the state in fiscal years 1974, 1975, 1976 and 1977 to meet the needs of children who are identified as having such learning and behavioral problems as to have little or no interest in participating in regular school programs or of children who have had a history of appearances before a juvenile court, as defined in Minnesota Statutes, Section 260.021, or contact with other agencies exercising similar corrective functions;*

(b) *An enumeration and description of alternative programs of education attempted to be provided by schools pursuant to Minnesota Statutes, Section 127.29;*

(c) *The relationship and the degree of coordination of programs identified pursuant to clauses (a) and (b) with each other and with special instruction and services for handicapped children as defined in Minnesota Statutes, Section 120.03, Subdivision 3;*

(d) *The sponsor, source of funding, amount of funding and number of children served, for programs identified pursuant to clauses (a) and (b);*

(e) *A summary of the results of any evaluation performed of programs identified pursuant to clauses (a) and (b).*

The report shall include any recommendations the commissioner may have for legislation to encourage or coordinate the provision of educational alternative programs.

Sec. 12. *Notwithstanding any law to the contrary, the final distribution in August 1976 of foundation aid for the 1975-1976 school year to area vocational technical institutes shall be recognized as revenue of fiscal year 1977, and the state board for vocational education may consider this payment to be funding available for expenditure in fiscal year 1977 in its apportionment of post-secondary vocational categorical and capital expenditure aid for fiscal year 1977.*

Sec. 13. Minnesota Statutes, 1975 Supplement, Section 120.17, Subdivision 1, is amended to read:

120.17 [HANDICAPPED CHILDREN.] Subdivision 1. **[SPECIAL INSTRUCTION FOR HANDICAPPED CHILDREN OF SCHOOL AGE.]** Every district shall provide special instruction and services, either within the district or in another district, for handicapped children of school age who are residents of the district and who are handicapped as set forth in section

120.03. When the provision of instruction, training, and services may result in hardship or injury to the child, the school board may appeal the mandatory provisions of Laws 1971, Chapter 689 to the commissioner of education who shall determine what provisions shall be made by the district for the education of the child. School age means the ages of four years to 21 years for children who are (DEAF, BLIND, CRIPPLED OR HAVE SPEECH DEFECTS, AND FIVE YEARS TO 21 YEARS FOR MENTALLY RETARDED CHILDREN;) *handicapped as defined in section 120.03* and shall not extend beyond secondary school or its equivalent. Every district may provide special instruction and services for handicapped children who have not attained school age. Districts with less than the minimum number of eligible handicapped children as determined by the state board shall cooperate with other districts to maintain a full sequence of programs for education, training and services for handicapped children as defined in section 120.03, subdivisions 1 to 3. A district that decides to maintain programs for trainable handicapped children is encouraged to cooperate with other districts to maintain a full sequence of programs.

Sec. 14. Minnesota Statutes 1974, Section 120.17, Subdivision 2, is amended to read:

Subd. 2. [METHOD OF SPECIAL INSTRUCTION.] Special instruction or training and services for handicapped children may be provided by one or more of the following methods:

(a) Special instruction and services in connection with attending regular elementary and secondary school classes;

(b) The establishment of special classes;

(c) Instruction and services at the home or bedside of the child;

(d) Instruction and services in other districts;

(e) Instruction and services in a state college laboratory school or a University of Minnesota laboratory school;

(f) Instruction and services in a state residential school or a school department of a state institution approved by the commissioner; or by any other method approved by him;

(g) Instruction and services in other states;

(h) Contract with public, private or voluntary agencies.

The primary responsibility for the education of a handicapped child shall remain with the district of the child's residence regardless of which method of providing special instruction or training and services is used.

Sec. 15. Minnesota Statutes 1974, Section 120.17, Subdivision 5, is amended to read:

Subd. 5. [SCHOOL OF PARENTS' CHOICE.] Nothing in this chapter shall be construed as preventing parents of a handicapped educable child from sending such child to a school of their choice, if they so elect, subject to admission standards and policies to be adopted pursuant to the provisions of (MINNESOTA STATUTES, CHAPTER 240) *sections 66 to 73 of this act*, and all other provisions of (CHAPTER 71, EXTRA SESSION LAWS 1959) *chapters 120 to 129*.

Sec. 16. Minnesota Statutes 1974, Section 120.17, is amended by adding a subdivision to read:

Subd. 7a. [ATTENDANCE AT SCHOOL FOR THE DEAF OR BRAILLE AND SIGHT-SAVING SCHOOL.] *Responsibility for special instruction and services for a visually disabled or hearing impaired child attending the Minnesota school for the deaf or the Minnesota braille and sight-saving school shall be determined in the following manner:*

(a) *The legal residence of the child shall be the school district in which his parent or guardian resides;*

(b) *When it is determined pursuant to section 70, subdivision 1 or 2 of this act that the child is entitled to attend either school, the state board shall provide the appropriate educational program for the child. The state board shall make a tuition charge to the child's district of residence for the actual cost of providing the program; provided, however, that the amount of tuition charged shall not exceed \$2,000 for any school year. The district of the child's residence shall pay the tuition and may claim foundation aid for the child. All tuition so received shall be deposited in the state treasury, subject to the order of the state board;*

(c) *When it is determined that the child can benefit from public school enrollment but that the child should also remain in attendance at the applicable school, the school district where the institution is located shall provide an appropriate educational program for the child and shall make a tuition charge to the state board for the actual cost of providing the program, less any amount of aid received pursuant to section 124.32. The state board shall pay the tuition and other program costs including the unreimbursed transportation costs. Aids for handicapped children shall be paid to the district providing the special instruction and services. Special transportation shall be provided by the district providing the educational program and the state shall reimburse such district within the limits provided by law.*

Sec. 17. Minnesota Statutes 1974, Section 120.17, is amended by adding a subdivision to read:

Subd. 9. After August 15, 1977, no resident of a district who is eligible for special instruction and services pursuant to this section shall be denied provision of this instruction and service on a shared time basis because of attendance at a nonpublic school defined in section 123.932, subdivision 3. Nothing in this subdivision shall be construed to prevent any school district from providing special instruction and services pursuant to section 120.17 on a shared time basis prior to August 15, 1977.

Sec. 18. Minnesota Statutes 1974, Section 120.17, is amended by adding a subdivision to read:

Subd. 10. All tuition billing for the education of nonresident children pursuant to section 120.17 shall be done on uniform forms prescribed by the commissioner. The billing shall contain an itemized statement of costs which are being charged to the district of residence. One copy of each such billing shall be filed with the commissioner.

Sec. 19. Minnesota Statutes 1974, Section 120.73, Subdivision 1, is amended to read:

120.73 [AUTHORIZED FEES.] Subdivision 1. A school board is authorized to require payment of fees in the following areas:

(a) In any program where the resultant product, in excess of minimum requirements and at the pupil's option, becomes the personal property of the pupil;

(b) Admission fees or charges for extra curricular activities, where attendance is optional;

(c) A security deposit for the return of materials, supplies, or equipment;

(d) Personal physical education and athletic equipment and apparel, although any pupil may provide his own if it meets reasonable requirements and standards relating to health and safety established by the school board;

(e) Items of personal use or products which a student may purchase at his own option such as student publications, class rings, annuals, and graduation announcements;

(f) Fees specifically permitted by any other statute, including but not limited to section 171.04, clause (1);

(g) Field trips considered supplementary to a district educational program;

(h) Any authorized voluntary student health and accident benefit plan;

(i) For the use of musical instruments owned or rented by the district, a reasonable rental fee not to exceed either the rental cost to the district or the annual depreciation plus the actual annual maintenance cost for each instrument;

(j) *Transportation of pupils to and from extra curricular activities conducted at locations other than school, where attendance is optional;*

(k) *Motorcycle classroom education courses conducted outside of regular school hours; provided the charge shall not exceed the actual cost of these courses to the school district.*

Sec. 20. Minnesota Statutes 1974, Section 120.74, Subdivision 1, is amended to read:

120.74 [PROHIBITED FEES.] Subdivision 1. A school board is not authorized to charge fees in the following areas:

(a) Textbooks, workbooks, art materials, laboratory supplies, towels;

(b) Supplies necessary for participation in any instructional course except as authorized in sections 120.73 and 120.75;

(c) Field trips which are required as a part of a basic education program or course;

(d) Graduation caps, gowns, any specific form of dress necessary for any educational program, and diplomas;

(e) Instructional costs for necessary school personnel employed in any course or educational program required for graduation;

(f) Library books required to be utilized for any educational course or program;

(g) Admission fees, dues, or fees for any activity the pupil is required to attend;

(h) Any admission or examination cost for any required educational course or program;

(i) Locker rentals;

(j) *Transportation of pupils (1) to and from school as authorized pursuant to section 123.39 or (2) for which state transportation aid is authorized pursuant to section 124.223.*

Sec. 21. Minnesota Statutes, 1975 Supplement, Section 121.11, Subdivision 5, is amended to read:

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 27 of this act.* With the cooperation of the legislative auditor, (IT) 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.

Sec. 22. Minnesota Statutes, 1975 Supplement, Section 121.165, is amended to read:

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.*

Sec. 23. Subdivision 1. *The report to the 1977 legislature required pursuant to section 121.165 shall also include an analysis of any staffing characteristics which may be causing special financial problems to high cost districts.*

Subd. 2. *The commissioner of education shall gather information and report to the 1977 legislature on financial problems of school districts with small populations or with low density populations.*

Sec. 24. Minnesota Statutes 1974, Section 121.21, is amended by adding a subdivision to read:

Subd. 4a. *No district shall expend funds from any source for construction of, additions to or expansion of facilities of an area vocational-technical school without the approval of the state board if the construction, addition or expansion requires the expenditure of an amount equal to or greater than \$75 per pupil unit in average daily membership in the school or changes the perimeter walls of an existing facility. No construction, addition or expansion which requires the expenditure of less than \$75 per pupil unit in average daily membership in the school and which does*

not change a perimeter wall shall be carried out without the approval of the commissioner of education.

Sec. 25. [121.90] [DEFINITIONS.] *"Receivables", "liabilities", "fund balances", "revenues" and "expenditures" have the meanings specified in the uniform financial accounting and reporting system for Minnesota school districts unless otherwise provided by law.*

Sec. 26. [121.91] [ADVISORY COUNCIL ON UNIFORM FINANCIAL ACCOUNTING AND REPORTING STANDARDS.] *Subdivision 1. There is created an advisory council on uniform financial accounting and reporting standards, composed of 13 members appointed as follows:*

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

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

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

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

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

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

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

Sec. 27. [121.92] [UNIFORM FINANCIAL ACCOUNTING AND REPORTING STANDARDS.] *Subdivision 1. The council shall recommend to the state board uniform financial accounting and reporting standards for school districts. Prior to October 1, 1976, the state board shall adopt uniform financial accounting and reporting standards which are consistent with sections 24 to 34 of this act and with generally accepted accounting principles and practices. The standards so adopted shall be known as the uniform financial accounting and reporting system for Minnesota school districts.*

Subd. 2. The state board shall meet the requirements of chapter 15 in the initial adoption of these standards. In periodically revising these standards, the board need not meet the requirements of chapter 15, but these revisions shall not be effective until 20 days after their publication in the state register. Any interested person may petition the state board for revision of these standards. Upon receipt of such a petition, the state board shall proceed according to section 15.0412.

Sec. 28. [121.93] [REVENUE RECOGNITION.] *Subdivision 1. School district revenues shall be recognized and reported on the district books of account in accordance with this section.*

Subd. 2. 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. 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. Such receivables shall be reserved for use in the subsequent fiscal year. Payments of current taxes including but not limited to March personal property tax settlements, received prior to July 1, shall be recorded as revenue to be earned as of July 1 with appropriate adjustments to the receivables and the reserves for such taxes. All current taxes received prior to July 1 plus the balance of the reserves shall be recognized as revenue on July 1.

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

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

Subd. 7. Summer school aids shall be recognized as revenues and recorded as receivables during the fiscal year in which the summer school session ends; provided that nothing in this subdivision shall be construed to provide for a different rate of aid than that provided in section 124.20.

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. 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.

Sec. 29. [121.94] [EXPENDITURE RECOGNITION.] *Subdivision 1. School district expenditures shall be recognized and reported on the district books of account in accordance with this section.*

Subd. 2. 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 system for Minnesota school districts.

Subd. 3. 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 designated at the time of the issuance of the order.

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.

Sec. 30. [121.95] [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 system for Minnesota school districts provided for in section 27 of this act.*

Subd. 2. [UNAUDITED FINANCIAL STATEMENTS.] Each Minnesota school district shall submit to the commissioner by August 15, 1977 and August 15 of each year thereafter, 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. [AUDITED FINANCIAL STATEMENTS.] Prior to June 30 of the calendar year following the submission of the unaudited financial statement, the school 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 the unaudited statement.

Subd. 4. [BUDGET REPORTING.] Each Minnesota school district shall submit to the department by August 15, 1977, and by August 15 of each year thereafter, 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 school districts pursuant to Minnesota Statutes, Sections 120.17, 123.351, 471.59, or any other law and all educational cooperative service units shall be subject to the provisions of this section.

Sec. 31. [121.96] [CASH FLOW; SCHOOL DISTRICT REVENUES; BORROWING FOR CURRENT OPERATING COSTS.] *Subdivision 1. The commissioner of finance shall remit all payments of state aids to school districts in conformance with the dates provided by law or, when not so provided, with a schedule of aid payments to be established by the commissioner of education in consultation with other affected state agencies.*

Subd. 2. The auditors or finance officers of Minnesota counties shall remit all payments of taxes to the school districts in conformance with the provisions of Minnesota Statutes, 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 Minnesota Statutes, Section 276.11.

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

Subd. 4. Unless otherwise provided by law, no district shall, for the purpose of increasing the available cash balance of another fund, borrow or transfer funds from the building construction fund, debt redemption fund, trust and agency fund, or from any sinking fund for outstanding bonds issued for any purpose. However, if the contemplated use for which funds were originally placed in the building construction fund or a sinking fund is afterwards abandoned or if a balance remains after the use is accomplished, a district may devote these funds as provided in Minnesota Statutes, Section 475.65. For the purpose of insuring fund integrity, if the commissioner determines that a district is in violation of this subdivision or section 28 of this act, he shall require that such district maintain separate bank accounts for building construction funds, debt redemption funds, trust and agency funds, and sinking funds for outstanding bonds. Nothing in this subdivision shall be construed to prohibit the use of common bank accounts for other funds unless prohibited by law.

Sec. 32. [121.97] [STATUTORY OPERATING DEBT.]
Subdivision 1. The "statutory operating debt" of a school district means the net negative 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 system for Minnesota school districts.

Subd. 2. 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 15. 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. 3. If an audit or other verification procedure conducted pursuant to subdivision 2 determines that a statutory operating debt exists and does not come within the provisions of subdivision 4, a district shall follow the procedures set forth in section 88 of this act to eliminate this operating debt.

Subd. 4. If the amount of the statutory operating debt verified pursuant to subdivision 2 is less than two and one half percent of the most recent fiscal year's expenditure amount for the funds considered under subdivision 1, the net negative fund balance shall not qualify as statutory operating debt for the purposes of this section and sections 33 and 88 of this act.

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 88 of this act 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 88 of this act 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 88 of this act shall not apply to Independent School District No. 625.

Subd. 8. Any district eligible to receive any amounts pursuant to section 88 of this act shall disclose its statutory operating debt retirement plan by footnote to the audited financial statement.

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

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

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

Sec. 33. [121.98] [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 32 of this act shall limit its expenditures in each fiscal year to the amount of revenue recognized in the same fiscal year in accordance with the uniform financial accounting and reporting system for Minnesota school districts.

(b) The expenditures of a district for each fiscal year shall be limited so that the amount of its statutory operating debt calculated for that fiscal year pursuant to section 32 of this act 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;

(1) reduced by an amount equal to the cumulative entries to that district's "reserve account for reducing operating debt";

(2) increased by an amount equal to two and one half percent of that district's operating expenditures for the fiscal year immediately preceding the fiscal year for which the statutory operating debt calculation is being made.

(c) When a district is no longer required to levy pursuant to section 88 of this act, subdivision 2 of this section shall be applicable.

Subd. 2. Beginning in fiscal year 1978 and each year thereafter, any district not subject to subdivision 1 shall limit its expenditures so that its appropriate fund balances shall not constitute statutory operating debt as defined and limited in section 32 of this act.

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.

Sec. 34. [121.99] [PARTICIPATION IN COMPUTER SYSTEMS.] Subdivision 1. On or before July 1, 1980, all Minnesota school districts shall convert financial accounting and reporting operations to a computer based financial management accounting and reporting system utilizing regional or other computing facilities and utilizing multi-dimensional accounts and records defined in accordance with the uniform financial accounting and reporting system for Minnesota school districts.

Subd. 2. After July 1, 1980, participation in a computer based financial management accounting and reporting system shall be mandatory. The form of this participation shall be appealable to the commissioner.

Sec. 35. Minnesota Statutes, 1975 Supplement, Section 122.23, Subdivision 15, is amended to read:

Subd. 15. If no district is divided by virtue of the proceedings, all of the assets, real and personal, of the districts involved and all legally valid and enforceable claims and contract obligations of the districts pass to the new district. If a district is divided by virtue of the proceedings, upon receipt of the order of the commissioner, the auditor of the county containing the greatest land area of the new district shall present a copy of the plat and supporting statement and orders issued in the proceedings to the (COUNTY BOARD AT ITS NEXT REGULAR MEETING) *commissioner*, together with such information as is available to him concerning the assets and liabilities not secured by bonds of each district, any part of which is included in the newly created district. Thereafter within 30 days the (COUNTY BOARD) *commissioner* shall issue (ITS) *his* order providing for a division of the assets *and liabilities* of the districts involved and apportioning and dividing these assets *and liabilities* according to such terms as (IT) *he* may deem just and equitable. In making this division of assets and liabilities, the (COUNTY BOARD) *commissioner* may consider the amount of bonded debt to be assumed by property in each area under the provisions of this section. If the order of consolidation transfers any real estate interest to the new district or to another district, the order apportioning assets and liabilities may impose a dollar claim on the district receiving the real estate in favor of any other district involved in an amount not exceeding the reasonable value of the real estate interest involved, which claim shall be paid in the manner provided by law for the enforcement of judgments.

Sec. 36. Minnesota Statutes, 1975 Supplement, Section 122.45, Subdivision 1, is amended to read:

122.45 [DISTRIBUTION AND DIVISION OF ASSETS AND LIABILITIES; TAXATION.] Subdivision 1. Title to all the property, real and personal, of any district dissolved under the provisions of sections 122.41 to 122.52 and all legally valid and enforceable claims and contract obligations, pass to the district to which such dissolved district is attached. If a district is divided by virtue of the proceedings, the (COUNTY BOARD) *commissioner* shall issue (ITS) *his* subsequent order providing for the division of the assets and liabilities according to such terms as (IT) *he* may deem just and equitable.

Sec. 37. Minnesota Statutes 1974, Section 122.45, Subdivision 2, is amended to read:

Subd. 2. As of the effective date of the attachment, all the taxable property in the newly enlarged district is taxable for the payment of any bonded debt theretofore incurred by any component district or territory in the proportion which the assessed valuation of that part of a preexisting district which is included in the newly enlarged district bears to the assessed valuation of the entire preexisting district as of the time of the attachment. This apportionment shall be made by the county auditor and shall be incorporated as an annex to the order of the (COUNTY BOARD) *commissioner* dividing the assets and liabilities of the component parts. This subdivision shall not relieve any property from any tax liability for payment of any bonded obligation but taxable property in the newly enlarged district becomes primarily liable for the payment of bonded debts to the extent of the proportion stated.

Sec. 38. Minnesota Statutes 1974, Section 122.45, Subdivision 3a, is amended to read:

Subd. 3a. (a) Liabilities of a dissolved district existing at the time of the attachment other than bonded debt within the purview of subdivision 2 shall be obligations of the consolidated district after attachment (in the amount and kind determined by the (COUNTY BOARD) *commissioner* according to subdivision 1, where a dissolved district is divided), for the payment of which the consolidated district has a right to reimbursement by special levy or levies. The amount of reimbursement will be equal to the liabilities of the dissolved district for which the consolidated district is obligated less the aggregate of the following which has been or will be received by the consolidated district at or after the time of attachment from or as a result of the dissolution and attachment of the dissolved district:

(1) All taxes inuring to the consolidating district upon levies made by the dissolved district;

(2) All cash, bank accounts, investments, and other current assets;

(3) Earned state aids of the dissolved districts;

(4) Returns from the sale of property of the dissolved district.

(b) The amount of such special levy so computed shall be certified to the county auditor with the other tax requirements of the consolidated district but separately stated and identified. The auditor shall add the amount of special levy so certified to the school rate for the territory in the consolidated district which came from the dissolved district and include it in the levy on the taxable property in that territory; provided, the county auditor shall not spread more of the amount certified for special levy in any year than will amount to 20 percent of the school levy with-

out the special levy, leaving the remaining part of the certified amount for levy in successive years without further certification. Any amount of reimbursement to which it is entitled omitted by the consolidated district from its initial certification for special levy may be certified in a subsequent year for levy in the same manner as the levy upon initial certification.

The levy authorized by this subdivision shall be in addition to those otherwise authorized by (EXTRA SESSION LAWS 1971, CHAPTER 31, ARTICLE 20) *section 275.125*.

Sec. 39. Minnesota Statutes 1974, Section 123.37, Subdivision 1, is amended to read:

123.37 [INDEPENDENT SCHOOL DISTRICTS, CONTRACTS.] Subdivision 1. No contract for work or labor, or for the purchase of furniture, fixtures, or other property, except books registered under the copyright laws, or for the construction or repair of school houses, the estimated cost or value of which shall exceed (: (A) \$3,000 FOR SCHOOL DISTRICTS WITH AN ENROLLMENT OF STUDENTS IN GRADES 1 TO 12 OF LESS THAN 10,000, OR (B) \$5,000 FOR ALL OTHER SCHOOL DISTRICTS) *that specified in section 471.345, subdivision 3*, shall be made by the school board without first advertising for bids or proposals by two weeks' published notice in the official newspaper. Such notice shall state the time and place of receiving bids and contain a brief description of the subject matter.

Such additional publication in the official newspaper or elsewhere may be made as the board shall deem necessary.

After taking into consideration conformity with the specifications, terms of delivery, and other conditions imposed in the call for bids, every such contract shall be awarded to the lowest responsible bidder, duly executed in writing, and the person to whom the same is awarded shall give a sufficient bond to the board for its faithful performance, and otherwise conditioned as required by law. A record shall be kept of all bids, with names of bidders and amount of bids, and with the successful bid indicated thereon. A bid containing an alteration or erasure of any price contained in the bid which is used in determining the lowest responsible bid shall be rejected unless the alteration or erasure is corrected as herein provided. An alteration or erasure may be crossed out and the correction thereof printed in ink or typewritten adjacent thereto and initialed in ink by the person signing the bid. In the case of identical low bids from two or more bidders, the board may, at its discretion, utilize negotiated procurement methods with the tied low bidders for that particular transaction, so long as the price paid does not exceed the low tied bid price. In the case where only a single bid is received, the board may, at its discretion, negotiate a mutually agreeable contract with the bidder so long as the price paid does not exceed the original bid. If no satisfactory bid is received, the board may

readvertise. Standard requirement price contracts established for supplies or services to be purchased by the district shall be established by competitive bids. Such standard requirement price contracts may contain escalation clauses and may provide for a negotiated price increase or decrease based upon a demonstrable industrywide or regional increase or decrease in the vendor's costs. Either party to the contract may request that the other party demonstrate such increase or decrease. The term of such contracts shall not exceed two years with an option on the part of the district to renew for an additional two years. Provided that in the case of purchase of perishable food items except milk for school lunches and vocational training programs a contract of any amount may be made by direct negotiation by obtaining two or more written quotations for the purchase or sale, when possible, without advertising for bids or otherwise complying with the requirements of this section or section 471.345, subdivision 3. All quotations obtained shall be kept on file for a period of at least one year after receipt thereof.

Every contract made without compliance with the provisions of this section shall be void. Provided, that in case of the destruction of buildings or injury thereto, where the public interest would suffer by delay, contracts for repairs may be made without advertising for bids.

Firm bid contracts for the purchase of milk and ice cream renegotiated between August 25, 1973 and July 1, 1974 which provide for a price increase or decrease based upon a demonstrable industrywide or regional increase in the vendor's costs are valid and not void under this subdivision; provided that the adjustment shall not exceed the increase or decrease authorized in the applicable federal marketing order for raw milk; and provided further that a school district which did not renegotiate its contract before February 1, 1974, shall not adjust its contract to provide for price increases or decreases for purchases made before February 1, 1974.

Sec. 40. Minnesota Statutes 1974, Section 123.37, Subdivision 1b, is amended to read:

Subd. 1b. Notwithstanding the provisions of subdivision 1 or section 471.345, a contract for the transportation of school children may be made (EITHER) by direct negotiation, by obtaining two or more written quotations for the service (,) when possible, or upon sealed bids. At least 30 days before awarding a directly negotiated contract, the school district shall, by published notice, request quotations for the service to be provided. All quotations obtained shall be kept on file for a period of at least one year after receipt thereof. If a contract is made by direct negotiation, negotiations shall be (CARRIED ON AT A MEETING OF THE SCHOOL BOARD) open to the public. If a contract is made upon sealed bids, the procedure for advertising and awarding bids shall conform to the provisions of subdivision 1.

Sec. 41. Minnesota Statutes, 1975 Supplement, Section 124.04, is amended to read:

124.04 [CAPITAL EXPENDITURE TAXING AUTHORITY.] In addition to the tax levy prescribed by law for general and special school purposes, the board of any district may levy annually an amount such that the sum of the levy and attached machinery aid for capital outlay purposes calculated pursuant to section 273.138, subdivision 3, clause (1), shall not exceed (\$70) \$75 per pupil unit or, in districts where the pupil unit count is increased pursuant to section 124.17, subdivision 1, clause (7), (\$75) \$80 per pupil unit. *For purposes of computing allowable levies under section 124.04, pupil units shall include only those units identified in section 124.17, subdivision 1, clauses (1), (2), (4), (5), (6) and (7).* No levy under this section shall exceed 10 mills on each dollar of assessed valuation of the taxable property in the district as adjusted for the preceding year by the equalization aid review committee notwithstanding the provisions of sections 272.64 and 275.49 (, PROVIDED THAT SAID LEVY MAY NOT EXCEED BY MORE THAN TWO MILLS (THREE MILLS IF THE DISTRICT ADDS UNITS PURSUANT TO SECTION 124.17, SUBDIVISION 1, CLAUSE (7)) THE LEVY UNDER THIS SECTION IN THE PREVIOUS YEAR AND PROVIDED FURTHER THAT ANY DISTRICT WHICH DID NOT LEVY PURSUANT TO THIS SECTION IN 1972 MAY CERTIFY A MAXIMUM LEVY OF SIX MILLS NOT TO EXCEED \$65 PER PUPIL UNIT IN 1974). The tax so levied shall be collected in the manner provided by law for the collection of school taxes. The proceeds of the tax may be used only to acquire land, (IMPROVE AND REPAIR SCHOOL SITES,) to equip (,) and re-equip (, REPAIR AND IMPROVE) buildings and permanent attached fixtures, and to pay leasing fees for (COMPUTERS AND) computer (SERVICES) systems hardware, computer terminals and telecommunications equipment and related proprietary software. *The proceeds of this tax may also be used for capital improvement and repair of school sites, buildings and permanent attached fixtures and for the payment of any special assessments levied against the property of the district authorized pursuant to section 435.19 or any other law or charter provision authorizing assessments against publicly owned property; provided that a district may not levy amounts to pay assessments for service charges, including but not limited to those described in section 429.101, whether levied pursuant to that section or pursuant to any other law or home rule provision. Subject to the commissioner's approval, the tax proceeds may also be used to rent or lease buildings for school purposes and to acquire or construct buildings. The state board shall promulgate rules establishing the criteria to be used by the commissioner in approving and disapproving district applications requesting the use of capital expenditure tax proceeds for the renting or leasing of buildings for school purposes and the acquisition or construction of buildings. The approval criteria for purposes of building acquisition*

and construction shall include: the appropriateness of the proposal with respect to the district's long term needs; the availability of adequate existing facilities; and the economic feasibility of bonding because of the proposed building's size or cost.

The board shall establish a fund in which the proceeds of this tax shall be accumulated until expended.

The proceeds of the tax shall not be used for custodial or other maintenance services.

Sec. 42. Minnesota Statutes, 1975 Supplement, Section 124.-17, Subdivision 1, is amended to read:

124.17 [DEFINITION OF PUPIL UNITS.] Subdivision 1. Pupil units for each resident pupil in average daily membership shall be counted as follows:

(1) In an elementary school, for kindergarten and for handicapped pre-kindergarten pupils as defined in section 120.03, and enrolled in one-half day sessions throughout the school year or the equivalent thereof, approved by the commissioner of education, one-half pupil unit and other elementary pupils, one pupil unit.

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

(3) In area vocational-technical schools one and one-half pupil units. This clause shall expire June 30, 1976.

(4) To meet the problems of educational overburden caused by broken homes, poverty and low income, each pupil in clauses (1) and (2) from families receiving aid to families with dependent children or its successor program shall be counted as an additional five-tenths pupil unit. By May 1 of each year the department of public welfare is directed to furnish to the department of education, and to each school district to the extent the information pertains to it, that information concerning children from families with dependent children which is necessary to calculate pupil units. Additional aids to a district for such pupils may be distributed on a delayed basis until the department of education publicly certifies that the information needed for paying such aids is available on such a timely basis that such aids may be paid concurrently with other foundation aids.

(5) In every district where the number of pupils from families receiving aid to families with dependent children or its successor program exceeds five percent of the total actual pupil units in the district for the same year, as computed in clauses (1) and (2), each such pupil shall be counted as an additional

one-tenth of a pupil unit for each percent of concentration over five percent of such pupils in the district. The percent of concentration shall be rounded down to the nearest whole percent for purposes of this clause, provided that in districts where the percent of concentration is less than six, no additional pupil units shall be counted under this clause for pupils from families receiving aid to dependent children or its successor program and provided further that no such pupil shall be counted as more than one and one-tenth additional pupil units pursuant to clauses (4) and (5). Such weighting shall be in addition to the weighting provided in clauses (1), (2), (3), and (4). School districts are encouraged to allocate a major portion of the aids that they receive on account of clauses (4) and (5) to primary grade programs and services, particularly to programs and services that involve participation of parents. Each district receiving aids on account of both clauses (4) and (5) shall establish and maintain accounts separate from all other district accounts for the receipt and disbursement of all such aids received.

(6) Where the total pupil units of a district are used as a multiplier in determining foundation aids and spending and levy limitations and where the actual number of pupil units has decreased from the prior year, the number of pupil units shall equal the average of actual pupil units for the prior and current years in a district with boundaries coterminous with the boundaries of a city of the first class and shall be increased by .6 times the difference between the actual pupil units for the two years in any other district. *Only pupil units as computed in clauses (1) and (2) shall be included for purposes of computations made pursuant to this clause.*

(7) In districts maintaining classified secondary schools where the actual number of pupil units has increased from the prior year by two percent or more, the additional pupil units over the prior year, as computed in clauses (1) and (2), shall be multiplied times one-tenth for each percent of increase over the prior year and a number of pupil units equal to the product shall be added to the other units for the district. The percent of increase shall be rounded up to the next whole percent for purposes of this clause, provided that in districts where the percent of increase is less than two, no additional pupil units shall be added to the other units for the district and provided further that the number of pupil units of increase over the prior year shall under no circumstances be multiplied by more than five-tenths.

(8) Only pupil units in clauses (1) and (2) shall be used in computing adjusted maintenance cost per pupil unit.

Sec. 43. Minnesota Statutes, 1975 Supplement, Section 124.17, Subdivision 2, is amended to read:

Subd. 2. Membership for pupils in grades kindergarten through twelve and for handicapped prekindergarten pupils shall mean the number of pupils on the current roll of the school,

counted from the date of entry until withdrawal. The date of withdrawal shall mean the day the pupil permanently leaves the school or the date it is officially known that the pupil has left or has been legally excused; provided that any pupil, regardless of age, who has been absent from school without a legally justifiable excuse for 15 consecutive school days shall be dropped from the roll and classified as withdrawn. Nothing in Extra Session Laws 1971, Chapter 31, shall be construed as waiving the compulsory attendance provisions cited in section 120.10. Average daily membership shall equal the sum for all pupils of the number of days of the school year each pupil is enrolled in the district's schools divided by the number of days said schools are in session. For districts operating 12 months schools, days schools are in session shall mean the number of session days required by section 124.19, subdivision 1. The average daily membership of a pupil enrolled on a shared time basis shall equal the ratio of the total minutes for which such pupil is enrolled and the minimum minutes required during the year for a regularly enrolled public school pupil. Foundation aid for shared time pupils shall equal the amount which would accrue if shared time pupil units, counted pursuant to (THIS SECTION) *subdivision 1, clauses (1) and (2)*, were added to the district's total pupil units used in determining its foundation aid. *Foundation aid for shared time pupils shall be in addition to any other aid to which the district is otherwise entitled and shared time pupil units shall not be used for any other computation under subdivision 1 or for any computation under section 124.04.* A district shall not be entitled to transportation aid under section (124.22) *124.222* for pupils enrolled on a shared time basis unless the statutes specifically provide for transportation aid to such student. This subdivision shall be effective July 1, 1975 as applied to shared time foundation aid and July 1, 1976 as applied to pupils in area vocational-technical schools.

Sec. 44. Minnesota Statutes, 1975 Supplement, Section 124.-212, Subdivision 8a, is amended to read:

Subd. 8a. (1) Notwithstanding any provisions of any other law to the contrary, the adjusted assessed valuation used in calculating foundation aid shall include only that property which is currently taxable in the district. For districts which received payments under sections 124.215, subdivision 2a; 124.25; *124.28; 124.30; (360.133; 360.135; AND 124.20) 473.633; and 473.635;* the foundation aid shall be reduced by: The previous year's payment to the district pursuant to said sections times the ratio of the maximum levy allowed the district under section 275.125, subdivision 2a, to the total levy allowed by section 275.-125, but not to exceed 45 percent in 1975-1976 and 50 percent in 1976-1977 of the previous year's payment.

(2) For districts which received payments under sections 294.21 to 294.28; 298.23 to 298.28; 298.32; 298.34 to 298.39; 298.-391 to 298.396; 298.405; 298.51 to 298.67; any law imposing a tax upon severed mineral values, or under any other distributing

proceeds in lieu of ad valorem tax assessments on copper or nickel properties; the foundation aid shall be reduced in the August adjustment payment by the previous fiscal year's payment to the district pursuant to said sections times the ratio of the maximum levy allowed the district under section 275.125, subdivision 2a, to the total levy allowed by section 275.125 for collection in the calendar year ending during the aforementioned fiscal year, but not to exceed 40 percent in the August 1975 adjustment, 45 percent in the August 1976 adjustment, and 50 percent in the August 1977 adjustment of the previous fiscal year's payment.

Sec. 45. Minnesota Statutes, 1975 Supplement, Section 124.212, Subdivision 11a, is amended to read:

Subd. 11a. (1) If in any year the assessed value of any district is less than the assessed value of the immediate preceding year, the equalization aid review committee shall, upon notification by the county assessor prior to October 16 of that assessment year, redetermine for all purposes the adjusted assessed value of the immediate preceding year taking into account the decrease in assessed value. On or before November 1 of the assessment year, the equalization aid review committee shall file the redetermined adjusted assessed value with the commissioner of education who shall thereupon certify to the county auditors and school districts affected the redetermined adjusted assessed value and the appropriate levy limits of the school districts affected pursuant to section 275.125, subdivision 10. Notwithstanding section 275.07, the districts affected may certify the taxes voted to the county auditor on or before December 1.

(2) *If in any year the assessed value of class 1 and class 1a property, as defined in section 273.13, subdivision 2, in any district is less than the assessed value of such property in the immediately preceding year, the equalization aid review committee shall redetermine for all purposes the adjusted assessed value of the immediately preceding year taking into account only the decrease in assessed value of class 1 and class 1a property. If subdivision 11, clause (a) is applicable to such a district, the decrease in class 1 and class 1a property shall be applied to the adjusted assessed value as limited therein. In all other respects, the provisions of clause (1) shall be applicable.*

Sec. 46. Minnesota Statutes 1974, Section 124.212, is amended by adding a subdivision to read:

Subd. 20. *No adjustments to foundation aid payments resulting from omissions in school district reports, except those adjustments determined by the legislative auditor, shall be made for any school year after December 15 of the next school year. Any school district educating children who are residents of another school district shall notify the district of residence within 60 days of the date the child is determined by the district to be*

a nonresident, but not later than October 1 following the end of the school year in which the child is educated. If the district of residence does not receive a notification from the providing district pursuant to this subdivision, it shall not be liable to that district for any tuition billing received after October 1 of the next school year.

Sec. 47. Minnesota Statutes 1974, Chapter 124, is amended by adding a section to read:

[124.213] [AID RECAPTURE.] *In any year when the amount of the maximum levy allowed for any district by section 275.125, subdivision 2a, clause (1) or (2), exceeds the product of (a) the district's foundation aid formula allowance for the corresponding school year under section 124.212 and (b) the number of pupil units computed for the district under section 124.17 for that school year, an amount equal to the difference between the levy as certified and the specified product shall be deducted in the following order from the aids for the purposes specified receivable during the same school year pursuant to the following sections: (1) transportation aid pursuant to section 124.222; (2) secondary vocational aid pursuant to section 124.57; (3) special education aid pursuant to section 124.32. For the 1977-1978 school year, the foundation aid formula allowance shall equal the lesser of \$1,015 or the sum of the greater sum computed pursuant to section 124.212, subdivision 7b, clause (2), and the greater of (a) five-sixths of the difference that results when such greater sum is subtracted from \$1,015, or (b) \$55. This section shall apply to school years commencing with the 1977-1978 school year; provided, deductions pursuant to this section shall be limited to the following percentages of the difference between the specified product and the certified levy in the school years indicated: 20 percent of the difference in the 1977-1978 school year; 60 percent of the difference in the 1978-1979 school year; and 100 percent of the difference in the 1979-1980 school year and each school year thereafter.*

Sec. 48. Minnesota Statutes 1974, Section 124.222, is amended by adding a subdivision to read:

Subd. 6. For the purposes of payment of transportation aids in the 1976 fiscal year and thereafter, the commissioner of education may adjust the base cost per eligible pupil transported during the 1974 fiscal year to reflect changes in costs resulting from alterations in school district boundaries.

Sec. 49. Minnesota Statutes, 1975 Supplement, Section 124.223, is amended to read:

124.223 [TRANSPORTATION AID AUTHORIZATION.] *For the 1974-1975 school year and thereafter, school transportation and related services for which state transportation aid is authorized are:*

(1) Transportation or board of resident pupils who reside one mile or more from the public schools which they could attend, or transportation to, from, or between the schools they attend pursuant to a program approved by the commissioner of education, or who reside one mile or more from a private school actually attended, but only to the extent permitted by sections 123.76 to 123.79 with respect to private school pupils;

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

(3) Transportation for residents to and from a state board approved secondary vocational center;

(4) Transportation or board and lodging of a handicapped pupil when he cannot be transported on a regular school bus, and the conveying of handicapped pupils between home and school and within the school plant;

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

(6) Transportation for resident pupils to and from an instructional community-based employment station which is part of an approved occupational experience secondary vocational program;

(7) Transportation from one educational facility to another within the district for resident pupils enrolled on a shared time basis in educational programs approved by the commissioner of education;

(8) *Transportation for residents to and from the Minnesota school for the deaf or the Minnesota braille and sight-saving school;*

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

Sec. 50. Minnesota Statutes, 1975 Supplement, Section 124.26, is amended by adding a subdivision to read:

Subd. 4. [PAYMENT SCHEDULE.] The state shall pay to each school district 30 percent of its estimated adult education aid entitlement for the fiscal year on or before each of the following dates: September 30, December 31, and March 31. The actual balance due the district shall be paid on or before August 31 of the following fiscal year.

Sec. 51. Minnesota Statutes, 1975 Supplement, Section 124.271, Subdivision 2, is amended to read:

Subd. 2. In fiscal year 1977 and each year thereafter, the state shall pay 50 cents per capita to each school district which is operating a community school program in compliance with the rules (AND REGULATIONS) established by the state board and which has levied (AT LEAST) *the lesser of \$1 per capita or the maximum permissible certified levy for community services* pursuant to section 275.125, subdivision 8, for use in that year.

Sec. 52. Minnesota Statutes 1974, Section 124.32, as amended by Laws 1975, Chapter 432, Sections 48 to 50, is amended to read:

124.32 [HANDICAPPED CHILDREN.] Subdivision 1. The state shall pay to any district (AND UNORGANIZED TERRITORY);:

(a) for the employment in its educational program for handicapped children, (65) *no less than 55 and no more than 75* percent of the salary of essential personnel, but this amount shall not exceed (\$10,000) *\$11,000* for the normal school year for each full time person employed, or a pro rata amount for a part time person or a person employed for a limited time, (INCLUDING BUT NOT LIMITED TO SUMMER SCHOOL) *whether the essential personnel are employed by a district alone or jointly with another district or districts;*

(b) (FOR THE EMPLOYMENT OF AN INDIVIDUAL JOINTLY WITH ANOTHER DISTRICT OR DISTRICTS OR UNORGANIZED TERRITORY IN ITS EDUCATIONAL PROGRAM FOR HANDICAPPED CHILDREN, 65 PERCENT OF THE SALARY OF ESSENTIAL PERSONNEL; BUT THIS AMOUNT SHALL NOT EXCEED \$10,000 FOR THE NORMAL SCHOOL YEAR FOR EACH FULL TIME PERSON EMPLOYED, OR A PRO RATA AMOUNT FOR A PART-TIME PERSON OR A PERSON EMPLOYED FOR A LIMITED TIME INCLUDING BUT NOT LIMITED TO SUMMER SCHOOL) *plus 10 percent of the salaries of essential personnel employed in its educational program for handicapped children, for the purpose of recognizing additional support costs of educational programs for handicapped children;*

(c) *less 25 percent of the foundation aid formula allowance for each handicapped child in average daily membership who receives special instruction and services for more than 50 percent of the time school is in session, except that no portion of the foundation aid formula allowance shall be deducted for pre-school handicapped children.*

The state board shall promulgate rules establishing the method and criteria by which districts shall determine the percentage of time that handicapped children receive special instruction and services. The actual percent of the salaries of essential personnel to be applied by the state pursuant to clause (a) shall be determined by the commissioner within the limits of the appropriation for special education for the school year and shall be the same for all school districts in the state.

Subd. 1a. For purposes of section 124.32, for the 1976-1977 school year, the foundation aid formula allowance per pupil unit shall be the lesser of \$960 or the greater sum computed pursuant to section 124.212, subdivision 7b, clause (2). Computations of foundation aid formula allowances pursuant to section 124.32 shall be based on the foundation aid formula allowance per pupil unit in the child's district of residence. For the purposes of computing foundation aid formula allowances pursuant to section 124.32, each handicapped child shall be counted as prescribed in section 124.17, subdivision 1, clause (1) or (2).

Subd. 1b. For special instruction or training and services provided for any pupil pursuant to section 120.17, subdivision 2, clause (h), by contract with public, private or voluntary agencies other than Minnesota school districts, the state shall pay each district:

(1) the percent of the amount of the contract which is equal to the actual percent of the salaries of essential personnel paid by the state pursuant to subdivision 1, clause (a);

(2) less 25 percent of the foundation aid formula allowance of the district for that pupil.

Subd. 2. The state shall (REIMBURSE) pay each district (OR UNORGANIZED TERRITORY) for supplies and equipment purchased or rented for use in the instruction of handicapped children (IN THE) an amount (OF) equal to one-half of the sum actually expended by the district (OR UNORGANIZED TERRITORY) but not to exceed an average of \$50 in any one school year for each handicapped child receiving instruction.

Subd. 3a. The purpose of this subdivision is to change the method of funding of educational programs for handicapped children from reimbursement based on past expenditures to a current funding basis. Beginning July 1, 1976, the state shall not reimburse expenditures from the 1975-1976 school year programs, including 1976 summer school programs, but shall pay aids for the 1976-1977 school year programs and for each year thereafter on a current funding basis.

Subd. 4. The aids provided for handicapped children shall be paid to the district providing the special instruction and services. Foundation aid shall be paid to the district (OR UN-

ORGANIZED TERRITORY) of the pupils' residence. The total amount of aid paid may not exceed the amount expended for handicapped children (FOR) in the school year for which the aid is paid.

Subd. 5. When a handicapped child is placed in a residential facility approved by the commissioner and established primarily to serve handicapped children and when the child's educational program is approved by the commissioner, the state shall pay to the resident district not to exceed (65) *the percent of instructional costs charged to the resident district which is equal to the actual percent of the salaries of essential personnel paid by the state pursuant to subdivision 1, clause (a), less the foundation aid (PER PUPIL UNIT PAYABLE TO) formula allowance* in the resident district for each handicapped child placed in a residential facility. Not more than \$400,000 shall be spent annually for purposes of implementing this subdivision. If that amount does not suffice, the aid shall be pro rated among all qualifying districts.

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

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

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

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

Subd. 6. The state shall (REIMBURSE) *pay* each district (OR UNORGANIZED TERRITORY) the actual cost incurred in providing instruction and services for a handicapped child whose district of residence has been determined by (SECTIONS) *section 120.17, (SUBDIVISIONS 7 OR) subdivision 8a*, and who is temporarily placed in a state institution or a licensed residential facility for care and treatment. This section does not apply for a child placed in a foster home or a foster group home.

Upon following such procedure as requested by the commissioner of education a district (OR UNORGANIZED TERRITORY) providing instruction and services for such handicapped child may bill the state the actual cost incurred in providing said services including transportation costs and a proportionate amount of capital outlay and debt service, minus the amount of the foundation aid(,) *formula allowance for the child and the special edu-*

cation aid, transportation aid, and any other aid earned in behalf of such child, such action pursuant to limits set forth in section 124.32, subdivision 4.

Subd. 7. Before June 1, 1976 and before May 1 of each year thereafter, each district providing special instruction and services to handicapped children shall submit to the commissioner an application for approval of these programs and their budgets for the next school year. The application shall include an enumeration of the costs eligible for state aid pursuant to section 124.32 and of the estimated number and grade level of handicapped children in average daily membership in the district who will receive special instruction and services for more than 50 percent of the time school is in session during the next school year. The application shall also include any other information deemed necessary by the commissioner for the calculation of state aid and the evaluation of the program's compliance with the rules and standards of the state board. On or before August 1, 1976 and before July 1 of each year thereafter, the commissioner shall approve, disapprove or modify each application, and notify each applying district of his action and of the estimated level of aid for the programs determined pursuant to subdivision 1. The commissioner shall provide procedures for districts to submit additional applications for program and budget approval during the school year, for programs needed to meet changes in the needs of handicapped children in the district.

Subd. 8. When planning programs for the education of handicapped children in the regular classroom, school districts are encouraged to consider the size of the regular class and to provide the support services necessary to insure successful mainstreaming.

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

Subd. 10. Beginning with the summer of 1977, the state shall pay aid for summer school programs for handicapped children on the basis of the sections of Minnesota Statutes providing aid for handicapped children for the preceding school year. On or before March 15, 1977, and March 15 of each year thereafter, districts shall submit separate applications for program and budget approval for summer school programs. By May 1, 1977, and May 1 of each year thereafter, the commissioner shall approve, disapprove or modify the applications and notify the districts of his action and of the estimated level of aid for the summer school programs. Aid for these programs shall be paid on or before the October 1 after the summer when the programs are conducted.

Subd. 11. (1) Notwithstanding the provisions of subdivision 3a, Special School District No. 1 shall implement the change from reimbursement to current funding for aid to handicapped children as follows:

(a) The total amount of aid to handicapped children paid to the district each year shall be equal to the amount computed according to the current funding provisions of section 124.32.

(b) The district may account for \$4,700,000 of the amount in clause (a) on a reimbursement basis until such time as the district is required to account for aid to handicapped children on a current basis pursuant to clause (3).

(c) For purposes of revenue recognition the \$4,700,000 designated in clause (b) shall be recognized as revenue of the fiscal year preceding the fiscal year of receipt. The amount calculated pursuant to clause (a) less the \$4,700,000 designated in clause (b) shall be recognized as revenue of the fiscal year of receipt.

(2) (a) Special School District No. 1 shall establish an "account for special education statutory operating debt" and a "reserve account for current financing of special education". These accounts shall be established immediately following the effective date of this section.

(b) The "account for special education statutory operating debt" shall reflect the \$4,700,000 accounted for on a reimbursement basis pursuant to clause (1) (b). The special education statutory operating debt reflected in this account shall be in addition to the statutory operating debt of the district determined pursuant to section 32 of this act.

(c) Notwithstanding the provisions of section 88, clause (2) of this act, the "reserve account for current financing of special education" rather than the "reserve account for purposes of reducing statutory operating debt" shall reflect the proceeds of the levy authorized pursuant to section 88 of this act and the amount deposited pursuant to section 94 of this act until such time as the amount reflected in the "reserve account for current financing of special education" equals the amount reflected in the "account for special education statutory operating debt". Thereafter, the proceeds of the levy authorized pursuant to section 88 of this act shall be reflected in the "reserve account for purposes of reducing statutory operating debt".

(d) Until such time as the amount reflected in the "reserve account for current financing of special education" equals the amount reflected in the "account for special education statutory operating debt", the amount reflected in the "reserve account for current financing of special education" shall be used for the pur-

poses for which special education aid may be used; however the amount reflected in this account shall be used only for cash flow requirements and shall not be used to supplement district revenues or income for the purposes of increasing the district's special education expenditures or budgets.

(e) Until such time as the amount reflected in the "reserve account for current financing of special education" equals the amount reflected in the "account for special education statutory operating debt", Special School District No. 1 may, in each year, issue certificates of indebtedness in anticipation of receipt of aid to handicapped children in an amount not to exceed \$4,700,000 less an amount equal to the amount reflected in the "reserve account for current financing of special education".

(3) When the amount reflected in the "account for special education statutory operating debt" equals the amount reflected in the "reserve account for current financing of special education" the district shall thereafter receive and account for aid to handicapped children on a current funding basis.

Sec. 53. Minnesota Statutes, 1975 Supplement, Section 124.43, Subdivision 1, is amended to read:

124.43 [CAPITAL LOANS.] Subdivision 1. To the extent moneys are from time to time available hereunder, the committee is authorized, after review and recommendation by the state board of education, to effect capital loans to school districts. Proceeds of such loans shall be used only for sites for school buildings and for acquiring, bettering, furnishing, or equipping school buildings under contracts to be entered into within 12 months from and after the date on which each loan is granted. Applications with the accompanying data specified in subdivision 2 shall be filed between October 1 of any year and June 1 next following. No application shall be approved unless the state board of education certifies that the loan is needed to replace facilities dangerous to the health and safety of pupils, or to provide for pupils for whom no adequate facilities exist; that such facilities could not be made available by consolidating the district with an adjacent district without substantially lowering the fiscal capacity of that district or so increasing its area that it would no longer be viable; and that existing institutions or facilities within the area could not be acquired or leased to provide the needed facilities safely and at a lower cost. The state board shall make recommendations to the committee. No loan shall be approved for any district exceeding an amount computed as follows:

- (1) The amount voted by the district under subdivision 2;
- (2) Plus the aggregate principal amount of general obligation bonds of the district outstanding on the date of approval, not exceeding the limitation on net debt of the district in section

475.53, subdivision 4, or 30 percent of the adjusted assessed value, whichever is less;

(3) Less the maximum net debt permissible for the district on the date of approval, under the limitation in section 475.53, subdivision 4, or 30 percent of the adjusted assessed value, whichever is less; and

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

Sec. 54. Minnesota Statutes, 1975 Supplement, Section 124.561, Subdivision 3, is amended to read:

Subd. 3. [BUDGETS.] Before January 1, 1976, and before January 1 of each year thereafter post-secondary vocational-technical school budgets for the following fiscal year shall be submitted to the state board for vocational education. The state board for vocational education shall approve the budgets for each district (AT) *prior to June 1 of each year after a consolidated public hearing held pursuant to (CHAPTER 15, WHICH SHALL BE HELD PRIOR TO JUNE 1 OF EACH YEAR AND WHICH SHALL CONTINUE UNTIL ALL INTERESTED PERSONS, REPRESENTATIVES, AND ORGANIZATIONS HAVE HAD AN OPPORTUNITY TO BE HEARD) section 55 of this act.* The total amount of reimbursement payments approved for fiscal year 1975 payable in fiscal year 1976 shall not exceed by more than 14 percent the amount appropriated for post-secondary vocational-technical education for payment in fiscal year 1975. No district shall increase its operating deficit during fiscal year 1976 unless authorized to do so by the state board for vocational education. The state board for vocational education shall before September 1, 1975 promulgate rules and regulations which establish the approval criteria for budgets, including responsiveness to current and projected manpower needs of population groups to be served in the various geographic areas and communities of the state, particularly disadvantaged and handicapped persons; adequacy of evaluation of programs; and other criteria set forth in the state plan for vocational education. The commissioner, in cooperation with the department of finance, shall establish program budget standards by which area vocational-technical institutes shall submit financial requests.

Sec. 55. Minnesota Statutes, 1975 Supplement, Section 124.561, is amended by adding a subdivision to read:

Subd. 3a. *The consolidated public hearing held by the state board pursuant to section 124.561, subdivision 3 shall take place with at least six board members present and shall continue until*

all interested persons, representatives, and organizations have had an opportunity to be heard. Notice of intention to hold the hearing shall be given at least 20 days prior to the date set for the hearing by United States mail to each district submitting a post-secondary vocational school budget, to other interested persons, representatives, and organizations who register their names with the commissioner of education for that purpose, and in the state register. The department of education shall make available at least one free copy of the proposed disposition of budgets to any person requesting it. Unless the commissioner determines that the use of an audio magnetic recording device is more appropriate, a court reporter shall keep a record at every hearing. A transcript of the hearing record shall be made available upon the request of any person, provided that the request is in writing and the cost of preparing the transcript is borne by the requesting person. After allowing written material to be submitted and added to the hearing record for five days after the public hearing ends, the commissioner of education shall proceed as promptly as possible to write a report containing the proposed final disposition of budgets. This report shall contain findings and conclusions based on substantial evidence from the hearing record to support the proposed final disposition. The report shall be available to all affected school districts upon request for at least 15 days before the state board takes final action on the budgets. Any district which is adversely affected by the proposed final disposition of budgets may demand and shall be given an opportunity to be heard in support of modification of the proposed disposition at the meeting at which the state board takes final action on the budgets; provided, the state board may place reasonable restrictions on the length of time allowed for testimony.

Sec. 56. Minnesota Statutes, 1975 Supplement, Section 124.562, Subdivision 2, is amended to read:

Subd. 2. Membership for pupils in post-secondary vocational-technical schools shall mean the number of pupils on the current roll of the school, counted from the date of entry until withdrawal. The date of withdrawal shall mean the day the pupil permanently leaves the school or the date it is officially known that he has left or has been legally excused; provided that any pupil, regardless of age, who has been absent from school without a legally justifiable excuse for 15 consecutive school days shall be dropped from the roll and classified as withdrawn. No pupil who is counted in average daily membership pursuant to this section shall be counted in average daily membership in any district pursuant to section 124.17, subdivision 2 (AVERAGE DAILY MEMBERSHIP SHALL EQUAL THE SUM FOR ALL PUPILS OF THE NUMBER OF DAYS OF THE SCHOOL YEAR EACH PUPIL IS ENROLLED IN A POST-SECONDARY VOCATIONAL-TECHNICAL SCHOOL IN A DISTRICT DIVIDED BY 175), unless he is eligible to earn foundation aid pursuant to section 120.80 or is attending a post-secondary vocational-technical school course on a part time basis in addition to spending six hours per day in a secondary program. Average daily mem-

bership for pupils who are enrolled (ON A PART TIME BASIS) *in post-secondary vocational-technical schools*, but not including adult vocational pupils, shall equal (a) the sum for all pupils of the number of days of the school year each pupil is enrolled in a post-secondary vocational-technical school in the district times the number of hours per day each student is enrolled divided by (THE NUMBER OF HOURS THE SCHOOL IS IN SESSION PER DAY) six (b) divided by 175; *provided the number of hours which are counted for average daily membership for any pupil in any one program shall in no event exceed the number of hours approved by the state board for completion of the program.* For a post-secondary vocational-technical school, the normal school year shall be at least the number of session days required by section 124.19, subdivision 1. In all post-secondary vocational-technical schools, the minimum length of the school day for each pupil, exclusive of the noon intermission, shall be six hours. Exceptions may be made by the local school administration for approved programs to meet individual student needs.

Sec. 57. Minnesota Statutes, 1975 Supplement, Section 124.563, Subdivision 3, is amended to read:

Subd. 3. Post-secondary vocational categorical and capital expenditure aid shall be apportioned by the state board for vocational education at the consolidated public hearing held pursuant to section 124.561, subdivision 3. All post-secondary vocational categorical and capital expenditure aid approved at this public hearing shall be distributed to the districts on or before August 1, December 1, March 1 and June 1 of each year. Additional post-secondary vocational categorical and capital expenditure aid may be distributed on or before March 1 and June 1 of each year if it is apportioned at a consolidated public hearing held (IN) *before February (PURSUANT TO CHAPTER 15) 15 of that year in the manner specified in section 55 of this act.* On the date of each post-secondary vocational categorical and capital expenditure aid payment, the state board shall report to the appropriate committees of the legislature on the distribution of post-secondary vocational categorical and capital expenditure aid. The report shall include (a) the recipients of the aid; (b) the amounts distributed, and (c) the reasons for these distributions.

Sec. 58. Minnesota Statutes, 1975 Supplement, Section 124.564, is amended to read:

124.564 [POST-SECONDARY VOCATIONAL DEBT SERVICE CREDITS.] The state board for vocational education shall (PAY TO) *provide, for credit against the debt service levy of qualifying districts, post-secondary vocational debt service aid equal to the state portion of debt service costs.* The state portion of debt service costs shall equal the amount necessary to make payments (FOR) *due in each school year ending June 30 with respect to bonds issued to finance post-secondary vocational facilities and (FOR) interest thereon, multiplied by the average*

of the district's nonresident reimbursement percentage pursuant to Minnesota Statutes 1974, Section 121.21, Subdivision 5, in fiscal years ended June 30, 1973, 1974, and 1975. (THE LOCAL PORTION OF DEBT SERVICE COSTS SHALL EQUAL THE AMOUNT NECESSARY TO MAKE THESE PAYMENTS, LESS THE STATE PORTION OF DEBT SERVICE COSTS.) No district shall qualify for this post-secondary vocational debt service aid unless it has certified a levy (EQUAL) in the total amount (TO THE LOCAL PORTION OF DEBT SERVICE COSTS, PURSUANT TO) required by section (275.125, SUBDIVISION 4) 475.61, for collection in the calendar year in which the aid credit is to be given. Post-secondary vocational debt service aid shall be (UTILIZED SOLELY FOR PAYMENTS FOR BONDS ISSUED TO FINANCE POST-SECONDARY VOCATIONAL FACILITIES AND FOR INTEREST THEREON, AND THESE BOND AND INTEREST PAYMENTS SHALL BE MADE SOLELY WITH PROCEEDS FROM THIS AID AND THE LOCAL DEBT SERVICE LEVY) computed each year before October 1, commencing October 1, 1976, by the state board for vocational education with reference to each school district bond issue financing post-secondary vocational facilities, as a percentage of the sum of the bonds and interest to become due in the school year commencing on the following July 1. The amount for each school district shall be certified by the board on or before October 1 to the school district, and to the county auditors of all counties containing taxable property within the school district, and to the state commissioner of finance. This amount shall be deducted by the county auditors from the amount of the debt service levies of the school district to be assessed and extended against the taxable property therein for collection in the following year, and shall be payable instead from the appropriation made by this section. The commissioner of finance shall issue to the state treasurer warrants for payment of one-half of the amount to the treasurer of the school district on or before July 15 and one half thereof on or before November 15 in the following year, in lieu of the distributions of this amount otherwise payable by county treasurers at these times under the provisions of section 276.11. The amount of \$7,500,000 is annually appropriated from the general fund to the respective districts entitled to these payments, for expenditure in fiscal years beginning with fiscal year 1978. This appropriation shall not lapse until and unless otherwise provided by law, but shall be reduced by the amount of any funds specifically appropriated for the same purpose in any year from any state fund. In the event that the appropriation is revoked in any future year, the state board for vocational education shall certify this fact to each school district theretofore entitled to an aid credit under this subdivision. The appropriation heretofore made for post-secondary vocational debt service aid payable in the school year ending June 30, 1977, is confirmed, and the board shall continue to provide for the payment of debt service aids therefrom at or before the due dates of school district bonds and interest in that school year. In addition, the state board for vocational education shall pay to districts which expended cash balances to finance the construction of new post-secondary voca-

tional facilities and which the state board prior to May 15, 1975 agreed to repay for these expenditures the amount of the repayment specified in the agreement. Funds received in repayment shall revert to the fund of origin in the district. (THIS SECTION SHALL BE EFFECTIVE JULY 1, 1976.)

Sec. 59. Minnesota Statutes, 1975 Supplement, Section 124.565, Subdivision 2, is amended to read:

Subd. 2. Any person who has attained his 21st birthday and who would, but for that fact, qualify under subdivision 1 to attend a post-secondary vocational-technical school without tuition, may attend the school without tuition (SUBJECT TO THE OTHER PROVISIONS OF THIS SUBDIVISION), if he entered active military service in any branch of the armed forces of the United States before his 21st birthday, *with a Minnesota resident at the time of induction into the armed forces and had been a Minnesota resident during the six months immediately preceding induction*, and (WHO) has (THEN) been separated or discharged from active military service under conditions other than dishonorable, and if he applies for admission to the school before his 29th birthday. Time after separation or discharge from military service spent as an in-patient in a hospital or similar institution for treatment of an illness or disability or in recovery from an illness or disability that prevents gainful occupation or study shall be added to the time allowed for application.

Sec. 60. Minnesota Statutes 1974, Chapter 124, is amended by adding a section to read:

[124.566] *Notwithstanding the provisions of section 16.16 or 16A.57 or any other law to the contrary, the state board for vocational education may expend amounts appropriated by the legislature for post-secondary vocational categorical aid to pay post-secondary vocational foundation aid in any year when the appropriation for post-secondary vocational foundation aid is insufficient because of an increase in average daily membership. On the date of any expenditure pursuant to this section, the state board shall report the expenditure to the appropriate committees of the legislature.*

Sec. 61. Minnesota Statutes 1974, Chapter 124, is amended by adding a section to read:

[124.572.] [CURRENT FUNDING FOR ADULT VOCATIONAL EDUCATION.] *The purpose of this section is to change the method of funding adult vocational programs from reimbursement based on past expenditures to a current funding basis. Beginning July 1, 1977, the state shall not reimburse expenditures from the 1976-1977 school year programs, but shall pay aids for the 1977-1978 school year programs and for each year thereafter on a current funding basis.*

Sec. 62. Minnesota Statutes 1974, Chapter 124, is amended by adding a section to read:

[124.573] [CURRENT FUNDING FOR SECONDARY VOCATIONAL EDUCATION.] *The purpose of this section is to change the method of funding secondary vocational programs from reimbursement based on past expenditures to a current funding basis. Beginning July 1, 1978, the state shall not reimburse expenditures from the 1977-1978 school year programs, but shall pay aids for the 1978-1979 school year programs and for each year thereafter on a current funding basis.*

Sec. 63. Minnesota Statutes, 1975 Supplement, Section 124.611, Subdivision 1, is amended to read:

124.611 [ELIGIBLE TEACHER PROGRAM.] Subdivision 1. Any teacher who has been (OR WILL BE) placed on unrequested leave of absence pursuant to section 125.12, subdivision 6a or 6b, or has been discharged pursuant to section 125.12, subdivision 3, or section 125.17, subdivision 2 or 3, as a result of a discontinued position, lack of pupils or financial limitations, may apply (BY MAY 1, 1976,) to the state board of education to be classified as an eligible teacher. The state board shall approve applications of teachers on unrequested leave of absence (FROM DISTRICTS WHICH, ACCORDING TO CRITERIA ESTABLISHED BY THE STATE BOARD, ARE EXPERIENCING COST LIMITATIONS BECAUSE OF SEVERELY DECLINING ENROLLMENTS) and teachers discharged pursuant to section 125.12, subdivision 3, or section 125.17, subdivision 2 or 3. By June 1, 1976, the state board shall issue a list of approved eligible teachers for the purpose of informing districts of the availability of these teachers; provided that nothing in this subdivision shall be construed to prohibit the state board from approving teacher applications received after publication of the list, but prior to December 31, 1976.

Sec. 64. Minnesota Statutes, 1975 Supplement, Section 124.611, Subdivision 2, is amended to read:

Subd. 2. Any district which has not placed (OR WILL NOT PLACE) any teachers on unrequested leave of absence pursuant to section 125.12, subdivision 6a or 6b or has not discharged any teachers pursuant to section 125.12, subdivision 3, or section 125.17, subdivision 2 or 3, may petition the state board of education (BY JULY 1, 1976) to be eligible to receive aid for hiring an eligible teacher.

(THE STATE BOARD OF EDUCATION SHALL APPROVE OR DISAPPROVE EACH PETITION BY AUGUST 1, 1976, GIVING PRIORITY TO DISTRICTS WHICH HAVE A HIGH PROPORTION OF INEXPERIENCED TEACHERS, INCREASING ENROLLMENTS AND COST LIMITATIONS

WHICH PREVENT THE EMPLOYMENT OF EXPERIENCED TEACHERS.)

Eligible teacher aid shall be paid *according to the following schedule:*

(1) In the 1976-1977 school year (TO), the hiring school district (IN) *shall receive* an amount equal to 80 percent of the difference between the B.A. minimum salary in the hiring district and the salary which the teacher would receive in that year in the hiring district based upon his training, credits and experience(.);

(2) In the 1977-1978 school year, the hiring district shall receive (ELIGIBLE TEACHER) aid equal to 60 percent of the (AMOUNT CALCULATED IN THE FIRST YEAR) *salary difference in clause (1);*

(3) In the 1978-1979 school year the hiring district shall receive (ELIGIBLE TEACHER) aid equal to 40 percent of the (AMOUNT CALCULATED FOR THE FIRST YEAR,) *salary difference in clause (1); and*

(4) In the 1979-1980 school year and thereafter such aids shall terminate.

Sec. 65. Minnesota Statutes 1974, Section 125.185, Subdivision 4, is amended to read:

Subd. 4. The commission shall develop and create criteria, rules, and regulations for the certification of public school teachers and interns, which shall be submitted to the state board of education for approval, and from time to time the commission shall revise or supplement the criteria for certification of public school teachers subject to approval by the state board. It shall be the duty of the commission to establish criteria for the approval of teacher education programs subject to approval by the board. Subject to criteria, rules, and regulations approved by the state board of education, the commission shall also grant certificates to interns and to candidates for original certificates and receive recommendations from local committees as established by the commission for the renewal of teaching certificates, to grant life certificates to those who qualify according to requirements established by the commission, and suspend or revoke certificates pursuant to section 125.09. With regard to vocational education teachers the commission shall adopt and maintain as its criteria the state plan for vocational education.

In the event the state board of education disapproves any proposal from the commission, it shall give written notice of such disapproval within (120) 60 days after the receipt of the proposal including its reasons. Any proposal disapproved by the

state board may be resubmitted by the commission at any time after the expiration of (90) 45 days after the date of disapproval.

Sec. 66. [128A.01] [LOCATION.] *The Minnesota school for the deaf and the Minnesota braille and sight-saving school shall be continued at Faribault, and shall be grouped and classed with the educational institutions of the state.*

Sec. 67. [128A.02] [TRANSFER OF AUTHORITY.] *Subdivision 1. The state board of education shall be responsible for the control, management and administration of the Minnesota school for the deaf and the Minnesota braille and sight-saving school, and all the property real or personal appertaining thereto.*

Subd. 2. The state board shall promulgate rules regarding the maintenance and conduct of both schools and the individuals in attendance, and shall perform all duties necessary to provide the most beneficial and least restrictive program of education for each child handicapped by visual disability or hearing impairment.

Subd. 3. The state board may employ central administrative staffs and other personnel as necessary to provide and support programs and services in each school. These schools shall be deemed to be public schools for the purposes of sections 125.03 and 125.04, and all teachers as defined in those sections who are employed at these schools shall be subject to the standards of the board of teacher standards and certification and the state board of education; provided that any teacher who does not meet these standards as of July 1, 1977 shall be required to meet these standards by September 15, 1978 in order to continue in employment.

Subd. 4. The state board may enter into contracts with other public and private agencies and institutions to provide residential and building maintenance services if it determines that these services could thus be provided in a more efficient and less expensive manner. The state board may also enter into contracts with public and private agencies and institutions, school districts or combinations thereof, and educational cooperative service units to provide supplementary educational instruction and services.

Sec. 68. [128A.03] [ADVISORY COUNCILS.] *Subdivision 1. The state board of education shall appoint an advisory council on the Minnesota school for the deaf and an advisory council on the Minnesota braille and sight-saving school. These councils shall advise the state board on policies pertaining to the control, management, and administration of these schools.*

Subd. 2. Each advisory council shall consist of seven members. The members shall be representative of the various geographic regions of the state, shall include parents or guardians

of visually disabled or hearing impaired children, and shall include two representatives from groups representing the interest of visually disabled or hearing impaired individuals, as applicable. All members shall have knowledge, experience and interest in the problems of visually disabled or hearing impaired children.

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

Sec. 69. [128A.04] [GIFTS AND CONVEYANCES.] The state board of education shall take and hold in trust all lands or other property granted, given, devised, or conveyed to the schools, or to either of them. All moneys and securities so received and all income from this property shall be deposited in the state treasury in compliance with section 16.18, subject to the order of the state board.

Sec. 70. [128A.05] [ATTENDANCE.] Subdivision 1. [SCHOOL FOR THE DEAF.] Any individual who is between four and 21 years of age and who is deaf or hard of hearing shall be entitled to attend the school for the deaf if it is determined pursuant to the provisions of section 120.17, that the nature or severity of the hearing impairment is such that education in regular or special education classes provided for by the school district of residence cannot be achieved satisfactorily and that attendance at the school would be the least restrictive alternative for that individual. Nothing in this subdivision shall be construed as a limitation on the attendance at this school of children who have other handicaps in addition to being deaf or hard of hearing.

Subd. 2. [BRAILLE AND SIGHT-SAVING SCHOOL.] Any individual who is between four and 21 years of age and who is blind or partially seeing shall be entitled to attend the braille and sight-saving school if it is determined pursuant to the provisions of section 120.17, that the nature or severity of the visual impairment is such that education in regular or special education classes provided for by the school district of residence cannot be achieved satisfactorily and that attendance at the school would be the least restrictive alternative for that individual. Nothing in this subdivision shall be construed as a limitation on the attendance at this school of children who have other handicaps in addition to being blind or partially seeing.

Subd. 3. Attendance at the school for the deaf and the braille and sight-saving schools shall be subject to the compulsory attendance provisions of section 120.10 except that attendance may be excused pursuant to that section by the commissioner of education or his designee. Any person failing to comply with the provisions of section 120.10 shall be subject to the provisions of section 120.12. The superintendent of the applicable school shall exercise the duties imposed by section 120.12. Attendance at the

school for the deaf or the braille and sight-saving school shall fulfill the mandatory requirements of section 120.17.

Sec. 71. [128A.06] [ADMITTANCE AND DISCHARGE.] *Subdivision 1. The admissions and discharge committee of each school shall include the field consultant of the applicable school and four members who are knowledgeable in the fields of hearing impairment or visual disability, as applicable, to be appointed by the state board.*

Subd. 2. Preliminary application for admission shall be made by the district of the child's residence to the admissions and discharge committee by June 1 upon the appropriate forms provided by the field consultant or the district superintendent. The admissions and discharge committee shall make its decisions by July 1 on the basis of a review of the educational record and needs of the child. An admittance shall be provisional until it is determined that that individual comes within the provisions of section 70, subdivision 1 or 2 of this act.

Subd. 3. An individual in attendance at either school prior to July 1, 1977, shall be entitled to continue in attendance without reapplication provided that it is determined by September 1, 1977 that that individual comes within the provisions of section 70, subdivision 1 or 2 of this act.

Subd. 4. The admissions and discharge committee shall determine whether any child in attendance at the applicable school can also benefit from public school enrollment. This decision shall be subject to the provisions of section 120.17, and shall be made only after consultation with the parents and the school district of residence.

Subd. 5. The progress of an individual in attendance at either school shall be evaluated by the professional staff of that school as provided by the rules of the state board. The individual shall be returned to the district of residence when deemed appropriate by the admissions and discharge committee.

Subd. 6. Decisions concerning admittance and discharge shall be subject to appeal to the commissioner by the child's parent or guardian or school district of residence pursuant to rules promulgated by the state board, and shall be made only after consultation with the parents and the school district of residence.

Sec. 72. [128A.07] [EXPENSE OF PUPILS.] *Any individual attending the school for the deaf or the braille and sight-saving school shall be provided, by the person legally liable for his support, with sufficient funds to furnish him with proper clothing, postage, and necessary incidental expenses. If the person legally liable for his support is unable to make these provisions for him, the county welfare board of the county of which he is a resident shall pay to the superintendent of the school in*

which he is a pupil a sum to be fixed by the commissioner of education pursuant to rules promulgated by the state board. In addition, the school district of residence shall be liable for the actual transportation of the pupil to and from the school in which he is a pupil.

Applicants from other states who can benefit by being enrolled may be accepted so long as acceptance does not preclude acceptance of an eligible Minnesota resident. The commissioner of education shall obtain reimbursement from other states for the costs incurred in connection with nonresidents accepted and may contract with the appropriate authorities of other states to effect reimbursement. All money received from other states shall be paid to the state treasurer and placed in the general fund subject to the order of the state board.

Sec. 73. [128A.08] [FIELD CONSULTANTS.] *The state board of education shall employ a field consultant for each of these schools. The duties of the field consultant shall include visiting all visually disabled or hearing impaired children residing in the state and assisting them and their parents in any and all matters relating to their educations. The field consultant shall have knowledge of the problems of visually disabled or hearing impaired persons, shall be learned and experienced in counseling and shall possess such other educational qualifications as may be determined by the state board. He shall have an office and secretarial staff in his respective school. He shall have access to reports and statistics of all schools and social agencies in the state to the extent consistent with state and federal law and shall attempt to identify all visually disabled and hearing impaired children, their abilities and educational status, and shall provide this information to the state board. He shall meet with parents and guardians of visually disabled or hearing impaired children and assist them in making decisions as to the types of education most beneficial to their children. He shall also make arrangements for the education of their children in either of these schools. The activities of the field consultant shall be conducted in cooperation with the appropriate consultant or administrative staff of the state department.*

Sec. 74. [EFFECT OF TRANSFER TO STATE BOARD OF EDUCATION.] Subdivision 1. [TRANSFER OF FUNCTIONS.] *The powers, duties and functions of the commissioner of public welfare relating to the Minnesota school for the deaf and the Minnesota braille and sight-saving school are transferred to the state board of education which shall be the successor to the commissioner of public welfare as to all powers and duties heretofore vested in and imposed upon the commissioner of public welfare relating to these schools.*

Subd. 2. [TRANSFER NOT TO CONSTITUTE NEW AUTHORITY.] *Except as provided in this section, the transfer of powers, duties and functions under sections 66 to 74 shall not constitute the creation of a new authority, but shall constitute*

a continuation of the powers, duties and functions. For the purpose of succession, all rights, authorities, powers, duties, functions and obligations existing at the time of transfer shall continue with the same force and effect as if no transfer had been made.

Subd. 3. [CONTINUATION OF RULES.] *Any order or rule issued or existing and in force at the time of the transfer of powers, duties and functions under sections 66 to 74, and not otherwise inconsistent with these sections shall continue in full force and effect as an order or rule of the state board, or program under the control of the state board, until the order or rule is amended, repealed or superseded, or the program terminated.*

Subd. 4. [TRANSFER NOT TO AFFECT LEGAL ACTION.] *The transfer of powers, duties and functions as provided in sections 66 to 74 shall not affect any action or proceeding whether of an administrative, civil or criminal nature pending at the time of the transfer, but the action shall be prosecuted or defended in the name of the state board, and the state board, upon application to the appropriate court, shall be substituted as a party to the action or proceeding. No contract entered into according to law shall be affected by the transfer, but shall be performed as if the transfer had not occurred.*

Subd. 5. [TRANSFER OF STATUTORY REFERENCE.] *Whenever a person or authority whose powers, duties and functions are transferred hereunder is referred to in any statute, contract or document, the reference or designation shall be deemed to refer to the board, department or officer to which the powers, duties and functions have been transferred.*

Subd. 6. [CONTINUATION OF RIGHTS OF EMPLOYMENT.] *All employees in the classified or unclassified service, pursuant to the provisions of the state personnel act, of the department of public welfare employed at these schools on the effective date of this section are transferred to the department of education, and the employees shall not lose any rights or benefits now accorded them by law.*

Subd. 7. [TRANSFER OF PROPERTY.] *All books, maps, plans, papers, records and property of every description within the jurisdiction and control of the commissioner of public welfare relating to these schools and necessary for their operation shall be delivered and turned over to the state board of education, and it is authorized to take possession thereof.*

Subd. 8. [TRANSFER OF FUNDS.] *The unencumbered and unexpended balance of all funds appropriated to the commissioner of public welfare for the Minnesota school for the deaf and the Minnesota braille and sight-saving school are transferred and reappropriated to the department of education. All state and federal aids from any source which have heretofore been avail-*

able to the commissioner of public welfare for the use of these schools are hereby granted to the department of education.

Sec. 75. *On or before January 15, 1977, the commissioner of public welfare shall report to the legislature as to whether the transfer of any funds under sections 67 and 74 of this act would violate any federal laws or regulation or would cause the loss of any federal money or aid. The report shall specify the programs involved, shall cite the specific authority which would be violated, and shall detail the consequence of this violation.*

Sec. 76. Minnesota Statutes 1974, Section 246.01, is amended to read:

246.01 [POWERS AND DUTIES.] The commissioner of public welfare is hereby specifically constituted the guardian of both the estate and person of all feeble-minded or epileptic persons, the guardianship of whom has heretofore been vested in the state board of control or in the director of social welfare whether by operation of law or by an order of court without any further act or proceeding, and all the powers and duties vested in or imposed upon the state board of control or the director of social welfare, with reference to mental testing of persons mentally deficient or epileptic, and with reference to the institutions of the state of Minnesota except correctional institutions administered and managed by the commissioner of corrections, are hereby transferred to, vested in, and imposed upon the commissioner of public welfare, and in relation thereto he is hereby charged with and shall have the exclusive power of administration and management of all of the following state institutions: The schools and hospitals for the mentally retarded and epileptic, state hospitals for the mentally ill, (THE MINNESOTA BRAILLE AND SIGHTSAVING SCHOOL, THE STATE SCHOOL FOR THE DEAF,) and the state hospital for inebriates. He shall have power and authority to determine all matters relating to the unified and continuous development of all of the foregoing institutions and of such other institutions, the supervision of which may, from time to time, be vested in him. It is intended that there be vested in him all of the powers, functions, and authority heretofore vested in the state board of control relative to such state institutions. He shall have the power and authority to accept, in behalf of the state, contributions and gifts of money and personal property for the use and benefit of the inmates of the public institutions under his control, and all moneys and securities so received shall be deposited in the state treasury subject to the order of the commissioner of public welfare. If the gift or contribution is designated by the donor for a certain institution or purpose, the commissioner of public welfare shall expend or use the same as nearly as may be in accordance with the conditions of the gift or contribution, compatible with the best interests of the inmates and the state. The commissioner of public welfare is hereby constituted the "state agency" as defined by the social security act of the

United States and the laws of this state for all purposes relating to mental health and mental hygiene.

For the purpose of carrying out his duties, the commissioner of public welfare shall accept from mentally deficient wards for whom he is specifically appointed guardian a signed application for his consent to the marriage of said ward. Upon receipt of such application he shall promptly conduct such investigation as he deems proper and determine if the contemplated marriage is for the best interest of the ward and the public. A signed copy of the commissioner's determination shall be mailed to the ward and to the clerk of the district court of the county where the application for such marriage license was made.

There is hereby appropriated to such persons or institutions as are entitled to such sums as are provided for in this section, from the fund or account in the state treasury to which the money was credited, an amount sufficient to make such payment.

Sec. 77. Minnesota Statutes 1974, Section 248.07, Subdivision 3, is amended to read:

Subd. 3. [SPECIAL ATTENTION.] The commissioner of public welfare shall give special attention to the cases of (SUCH BLIND) *handicapped* youth (AS) *who* are eligible to (ATTENDANCE AT) *attend* the Minnesota braille and sight-saving school, *the Minnesota School for the deaf*, or the public school classes for (THE BLIND) *handicapped children*, but are not in attendance thereat, or are not receiving adequate instruction elsewhere (AND SEEK TO SECURE SUCH ATTENDANCE BY ALL PRACTICABLE MEANS). *The commissioner shall report all such cases to the school district of the individual's residence and to the state board of education.*

Sec. 78. Minnesota Statutes, 1975 Supplement, Section 268.08, Subdivision 5, is amended to read:

Subd. 5. [SERVICES PERFORMED FOR STATE, MUNICIPALITIES OR CHARITABLE CORPORATIONS.] (EFFECTIVE JANUARY 1, 1974,) Benefits based on service in employment defined in section 268.04, subdivision 12, clauses (7), (8), and (9), shall be payable in the same amount, on the same terms and subject to the same conditions as compensation payable on the basis of other service subject to this law except that, (a) benefits based on service in an instructional, research, or principal administrative capacity in an institution of higher education (as defined in section 268.04, subdivision 12, clause (15)) shall not be paid to an individual for any week of unemployment which begins during the period between two successive academic years, or during a similar period between two regular terms, whether or not successive, or during a period of paid sabbatical leave provided for in the individual's contract, if the individual has a contract or contracts to perform services in any such capacity

for any institution or institutions of higher education for both such academic years or both such terms; (b) benefits based on wage credits earned in the employment of a public or private school, or a political subdivision for service with respect to a school, shall not be paid to an individual during any period between two successive school years when the activity in which the wage credits were earned is not normally performed. This provision shall not apply to any individual who, prior to the end of a school year, has voluntarily left or has been indefinitely separated from such employment *unless the individual has obtained employment with the same or another public or private school to commence at the beginning of the next school year.* For the purposes of this clause, school year means that period established by a school board in accordance with (MINNESOTA STATUTES 1971,) section 126.12.

Sec. 79. Minnesota Statutes, 1975 Supplement, Section 273.-138, Subdivision 3, is amended to read:

Subd. 3. Each school district shall receive reimbursement in 1974 and subsequent years in an amount equal to the product of its 1972 assessed value of real property exempted from taxation by section 272.02, subdivision 1 times the sum of its mill rates for the following levies:

- (1) A levy for capital outlay, pursuant to section 124.04;
- (2) A levy to pay the principal and interest on bonded indebtedness, including the levy to pay the principal and interest on bonds issued pursuant to Minnesota Statutes 1974, Section 275.125, Subdivision 3 (7) (c);
- (3) A levy to pay the principal and interest on debt service loans, pursuant to section 124.42;
- (4) A levy to pay the principal and interest on capital loans, pursuant to section 124.43;
- (5) A levy to pay amounts required in support of a teacher retirement fund, pursuant to section 422.13;
- (6) A levy for additional maintenance cost in excess of (30) 29 mills times the adjusted assessed valuation of the school district, pursuant to section 275.125, subdivision 6 or 7.

For the purpose of this subdivision, a school district mill rate for any of the forementioned levies which was not applied to the total taxable value of such school district shall be added to the forementioned sum of mill rates as if it had been applied to the entire taxable value of the school district.

Sec. 80. Minnesota Statutes, 1975 Supplement, Section 275.-125, Subdivision 2a, is amended to read:

Subd. 2a. (1) In 1975, a school district may levy for all general and special school purposes, an amount equal to the amount raised by the 1974 adjusted assessed valuation of the district times the number of mills, not to exceed 29, that bears the same relation to 29, as the greater sum computed pursuant to section 124.212, subdivision 7b, clause (2), bears to \$960.

(2) In 1976, a school district may levy for all general and special school purposes, an amount equal to the amount raised by the 1975 adjusted assessed valuation of the district times the number of mills, not to exceed 29, that bears the same relation to 29, as the sum of the greater sum computed pursuant to section 124.212, subdivision 7b, clause (2), and the greater of (a) five-sixths of the difference that results when such greater sum is subtracted from \$1015, or (b) \$55, bears to \$1015.

(3) For any district levying less than 95 percent of the maximum levy allowable in clauses (1) and (2), beginning with the levy certified in 1976, payable in 1977, the foundation aid to the district for the 1977-1978 school year, and for subsequent levies, foundation aid for subsequent school years, calculated pursuant to section 124.212, shall be reduced by 50 percent of the amount of the difference between the actual levy and the maximum levy allowable under clauses (1) and (2). In the application of this clause, the maximum levy allowable under clauses (1) and (2) shall be reduced by any reduction of this levy which is required by section 275.125, subdivision 9 or any other law.

(4) The levy authorized by clauses (1) or (2) may be increased in any amount which is approved by the voters of the district at a referendum called for the purpose. Such a referendum may be called by the school board or shall be called by the school board upon written petition of qualified voters of the district. The referendum shall be held on a date set by the school board. Only one such election may be held in a single school year. The question on the ballot shall be whether a specific millage which will yield a specific amount based on the most recent assessed valuation may be added to that authorized by clauses (1) or (2). If approved, the amount provided by the millage applied to each year's assessed valuation shall be authorized for certification until revoked by the voters of the district at a subsequent referendum, which may be called by the school board and which shall be called by the school board upon the written petition of qualified voters of the district unless the petition for revocation is submitted in the same year in which a levy has been increased by the voters pursuant to this clause. A petition authorized by this clause shall be effective if signed by a number of qualified voters in excess of 15 percent, or 10 percent if the school board election is held in conjunction with a general election, of the average number of voters at the two most recent district wide school elections. A referendum invoked by petition shall be held within three months of submission of the petition to the school board unless the petition for revocation is submitted in the same

year in which a levy has been increased by the voters pursuant to this clause. Notwithstanding any law to the contrary, the approval of 50 percent plus one of those voting on the question is required to pass a referendum.

Sec. 81. Minnesota Statutes, 1975 Supplement, Section 275.125, Subdivision 4, is amended to read:

Subd. 4. *A school district may levy the amounts necessary to make payments for bonds issued and for interest thereon, including the bonds and interest thereon, issued as authorized by section 275.125, subdivision 3, clause (7) (C), as it read in Minnesota Statutes 1974 (, AND); the amounts necessary for repayment of debt service loans and capital loans (,); the amount authorized for capital expenditures pursuant to section 124.04 (, AND); the amount authorized for liabilities of dissolved districts pursuant to section 122.45 (AND); the amounts necessary to pay the district's obligations under section 268.06, subdivision 25; and the amounts necessary to pay the district's obligations, under section 127.05.*

Sec. 82. Minnesota Statutes, 1975 Supplement, Section 275.125, Subdivision 5, is amended to read:

Subd. 5. *For school transportation services, a school district may levy an amount not to exceed the amount raised by a levy of one mill times the adjusted assessed valuation of the taxable property of the district for the preceding year. A district may levy under this subdivision for the annual cash payments to be made for the purchase of buses, but only for that portion of the payments not offset by state transportation aid received on account of depreciation (, AND PROVIDED FURTHER THAT). Beginning with the levy certified in (1975) 1976, a district may levy for transportation costs or other related services which are approved by the commissioner as necessary because of extraordinary traffic hazards for the current fiscal year.*

Sec. 83. Minnesota Statutes, 1975 Supplement, Section 275.125, Subdivision 6, is amended to read:

Subd. 6. (1) *In 1975 any district in which the 1970-1971 adjusted maintenance cost per pupil unit in average daily membership was greater than \$663 per pupil unit may levy an amount per pupil unit which is equal to or less than the difference between the 1970-1971 adjusted maintenance cost per pupil unit in average daily membership and \$663 per pupil unit. Provided, however, that a district with boundaries coterminous with the boundaries of a city of the first class which was affected by the limitation of an extra levy not to exceed 1.9 mills times the adjusted assessed valuation of the district shall be allowed to levy an amount per pupil unit which is equal to 2.0 mills times the 1974 adjusted assessed valuation of the district, divided by the number of pupil units in the district in 1975-1976.*

(2) In 1976 and each year thereafter, any district which qualified in 1975 for an extra levy under clause (1) shall be allowed to levy the same amount per pupil unit allowed by that clause.

((3) IN 1977 AND EACH YEAR THEREAFTER, ANY DISTRICT WHICH QUALIFIED IN 1976 FOR AN EXTRA LEVY UNDER CLAUSE (2) SHALL BE ALLOWED TO LEVY THE SAME AMOUNT PER PUPIL UNIT ALLOWED BY THAT CLAUSE, REDUCED BY TWO AND ONE-HALF PERCENT EACH YEAR.)

((4)) (3) For purposes of computing allowable levies under this subdivision, pupil units shall include only those units identified in section 124.17, subdivision 1, clauses (1), (2), (6) and (7). The provisions of this clause shall not affect or modify any district's 1970-1971 adjusted maintenance cost per pupil unit in average daily membership.

Sec. 84. Minnesota Statutes 1974, Section 275.125, is amended by adding a subdivision to read:

Subd. 6a. (1) In addition to the excess levy authorized in subdivision 6, in 1976 any district within a city of the first class which was authorized in 1975 to make a retirement levy under sections 275.127 and 422A.01 to 422A.25 may levy an amount per pupil unit which is equal to the amount levied in 1975 payable 1976, under sections 275.127 and 422A.01 to 422A.25, divided by the number of pupil units in the district in 1976-1977.

(2) In 1977 and each year thereafter, any district which qualified in 1976 for an extra levy under clause (1) shall be allowed to levy the same amount per pupil unit allowed by that clause, reduced each year by ten percent of the difference between the amount levied for retirement in 1971 under Minnesota Statutes 1971, Sections 275.127 and 422.01 to 422.54 and the amount levied for retirement in 1975 under Minnesota Statutes 1974, Sections 275.127 and 422A.01 to 422A.25.

Sec. 85. Minnesota Statutes, 1975 Supplement, Section 275.-125, Subdivision 7, is amended to read:

Subd. 7. (1) In addition to the excess levy authorized in subdivision 6, any district in Hennepin county or Ramsey county, other than a district with boundaries coterminous with the boundaries of a city of the first class, whose excess levy per pupil unit pursuant to Minnesota Statutes 1974, Section 275.125, Subdivision 3, Clause (5), was among the lowest 20 percent of these levies in such districts shall be allowed in 1975 to make an excess levy if the district has had a decrease in actual pupil units for the previous three years. This additional permitted excess levy per pupil unit shall equal the difference between the excess levy per pupil unit for the district and the average excess levy per pupil unit for the districts in Hennepin and Ramsey counties,

other than districts with boundaries coterminous with the boundaries of a city of the first class, allowed pursuant to Minnesota Statutes 1974, Section 275.125, Subdivision 3, Clause (5), or 2.0 mills times the 1974 adjusted assessed valuation of the property in the district, whichever is less.

(2) In 1976 and each year thereafter, any district which in 1975 qualified for an additional levy under the provisions of clause (1) and which continues to decline in enrollment may levy that same amount per pupil unit plus an amount equal to 2.0 mills times the 1975 adjusted assessed valuation of the taxable property in the district.

(3) IN 1977 AND EACH YEAR THEREAFTER, ANY DISTRICT WHICH IN 1976 QUALIFIED FOR AN ADDITIONAL LEVY UNDER THE PROVISIONS OF CLAUSE (2) AND WHICH CONTINUES TO DECLINE IN ENROLLMENT MAY LEVY THE SAME AMOUNT PER PUPIL UNIT REDUCED BY TWO AND ONE-HALF PERCENT EACH YEAR.)

Sec. 86. Minnesota Statutes, 1975 Supplement, Section 275.125, Subdivision 8, is amended to read:

Subd. 8. (1) In 1975, and each year thereafter, a district with a population of more than 15,000 persons which has established a community school advisory council pursuant to section 121.88 may levy an amount of money raised by the greater of (A) \$1 per capita, or (B) the number of EARC mills not to exceed the number of EARC mills necessary in 1973 to raise \$1 per capita in 1973. In 1975, and each year thereafter, a district with a population of fewer than 15,000 persons which has established a community school advisory council pursuant to section 121.88, may levy an amount of money raised by the greater of (A) \$2 per capita, or (B) the number of EARC mills not to exceed the number of EARC mills necessary in 1975 to raise \$2 per capita in 1975. These levies shall be used for community services including summer school, nonvocational adult programs, recreation programs, and programs contemplated by sections 121.85 to 121.88.

(2) A district which provides 95 percent or more of the cost of the recreation program for the municipalities and townships in which the district or any part thereof is located and which levied pursuant to this clause in 1975 may, with the approval of the commissioner, levy an additional amount, not to exceed one mill times the adjusted assessed valuation of the district for the preceding year, to be used for the costs of the recreation program; provided that no district may levy pursuant to this clause an amount greater than its actual cost for providing these programs in the previous September to September period. In 1977 and each year thereafter, only Independent School Districts No. 77 and No. 624 shall be authorized to levy pursuant to this clause. Any district which levied pursuant to this clause in 1975 shall

report to the department of education prior to January 15, 1977, on how these funds were expended.

(3) A school district shall be authorized to make a levy pursuant to this subdivision only after it has filed a certificate of compliance with the commissioner of education, certifying that members of the school board have met with members of the governing bodies of the county, municipality or township in which the school district, or any part thereof, is located, in order to discuss methods of increasing mutual cooperation between such bodies.

(4) The population of the district for purposes of this subdivision is the population determined as provided in section 275.14 or as certified by the department of education from the most recent federal census.

Sec. 87. Minnesota Statutes, 1975 Supplement, Section 275.125, Subdivision 9, is amended to read:

Subd. 9. (1) Districts which receive payments which result in deductions from foundation aid pursuant to section 124.212, subdivision 8a, *clause* (1), shall reduce the permissible levies authorized by subdivisions 3 to 14 by (25 PERCENT IN 1973, 50 PERCENT IN 1974, 75 PERCENT IN 1975, AND 100 PERCENT FOR EACH YEAR THEREAFTER OF) that portion of the previous year's payment not deducted from foundation aid on account of the payment (, UNLESS SUCH A LEVY REDUCTION IS OTHERWISE REQUIRED BY LAW). The levy reductions shall be made in the proportions that each permissible levy bears to the sum of the permissible levies. *Reductions in levies pursuant to this clause, subdivision 10 of this section, and section 273.138, shall be made prior to the reductions in clause* (2).

(2) Notwithstanding any other law to the contrary, districts which received payments pursuant to sections 294.21 to 294.28; 298.23 to 298.28; 298.32; 298.34 to 298.39; 298.391 to 298.396; 298.405; 298.51 to 298.67; and any law imposing a tax upon severed mineral values, or under any other law distributing proceeds in lieu of ad valorem tax assessments on copper or nickel properties; shall not include a portion of these aids in their permissible levies pursuant to those sections, but instead shall reduce the permissible levies authorized by section 275.125 to be (SPREAD) *certified* in the calendar year in which the deduction from foundation aid is made pursuant to section 124.212, subdivision 8a, by the portion of the previous fiscal year's payment which was not deducted from foundation aid in that calendar year pursuant to section 124.212, subdivision 8a.

(3) *No reduction pursuant to this subdivision shall reduce the levy made by the district pursuant to section 275.125, subdivision 2a, clause 1 or 2, to an amount less than the amount raised by a levy of 10 mills times the adjusted assessed valuation of that*

district for the preceding year as determined by the equalization aid review committee. The amount of any increased levy authorized by referendum pursuant to section 275.125, subdivision 2a, clause (4) shall not be reduced pursuant to this subdivision. The amount of any levy authorized by section 275.125, subdivision 4, to make payments for bonds issued and for interest thereon, shall not be reduced pursuant to this subdivision.

(4) Notwithstanding any law to the contrary, any amounts received by districts in any fiscal year after fiscal year 1975 pursuant to sections 294.21 to 294.28; 298.23 to 298.28; 298.34 to 298.39; 298.391 to 298.396; 298.405; 298.51 to 298.67; or any law imposing a tax on severed mineral values, or under any other law distributing proceeds in lieu of ad valorem tax assessments on copper or nickel properties; and not deducted from foundation aid pursuant to section 124.212, subdivision 8a, clause (2), and not applied to reduce levies pursuant to this subdivision shall be paid by the district to the commissioner of finance in the following amounts pursuant to this clause on the designated dates: on or before March 15, 1977, 20 percent of the amounts received in fiscal 1976 and not deducted from foundation aid in August 1976 and not applied to reduce 1976 payable 1977 levies; on or before March 15, 1978, 60 percent of the amounts received in fiscal 1977 and not deducted from foundation aid in August 1977 and not applied to reduce 1977 payable 1978 levies; on or before March 15, 1979 and March 15 of each year thereafter, 100 percent of the amounts received in the preceding fiscal year and not deducted from foundation aid in the preceding August and not applied to reduce levies certified in the preceding October. The commissioner of finance shall deposit any amounts received pursuant to this clause in the taconite property tax relief fund in the state treasury, established pursuant to section 16A.70 for purposes of paying the taconite homestead credit as provided in section 273.135.

Sec. 88. Minnesota Statutes 1974, Section 275.125, is amended by adding a subdivision to read:

Subd. 9a. (1) In 1977 and each year thereafter in which so required by this subdivision, a district shall make an additional levy to eliminate its statutory operating debt, determined as of June 30, 1977 and certified and adjusted by the commissioner. This levy shall not be made in more than 20 successive years and each year before it is made, it must be approved by the commissioner and the approval shall specify its amount. This levy shall in each year be an amount which is equal to the amount raised by a levy of 1.5 mills times the adjusted assessed valuation of the district for the preceding year as determined by the equalization aid review committee; provided that in the last year in which the district is required to make this levy, it shall levy an amount not to exceed the amount raised by a levy of 1.5 mills times the adjusted assessed valuation of the district for the preceding year as determined by the equalization aid review com-

mittee. When the cumulative proceeds of the levies made pursuant to this subdivision equal an amount equal to the statutory operating debt of the district, the levy shall be discontinued.

(2) The district shall establish a special account which shall be designated "reserve account for purposes of reducing statutory operating debt" on its books and records. This account shall reflect the proceeds of the levy authorized pursuant to this subdivision. The proceeds of this levy, as reflected in this account, shall be used only for cash flow requirements and shall not be used to supplement district revenues or income for the purposes of increasing the district's expenditures or budgets.

(3) Any district which is required to levy pursuant to this subdivision shall certify the maximum levy allowable under section 275.125, subdivision 2a, clause (1) or (2) in that same year.

Sec. 89. Minnesota Statutes, 1975 Supplement, Section 275.-125, Subdivision 14, is amended to read:

Subd. 14. Districts maintaining a post-secondary vocational-technical school may levy additional amounts as follows:

(1) A district maintaining a post-secondary vocational-technical school shall assume responsibility for a local share of the district post-secondary vocational deficit. The local share shall be 30 percent, or 15 percent in Independent School District Nos. 595 and 793, of the district post-secondary vocational deficit as of July 1, 1975, as certified to the commissioner of education pursuant to section 124.561, subdivision 4.

(2) For the purpose of eliminating the local share of its post-secondary vocational deficit, a district may petition the commissioner of education for authority to make an additional levy. Before such a levy may be made, it must be approved by the commissioner. The approval shall specify the years in which the additional levy may be made and shall specify its dollar amount. No levy so approved shall be made in more than four successive years, beginning with the levy certified in 1975, and shall not annually exceed .25 mills in a district in a city of the first class, 1.5 mills in districts formed pursuant to Laws 1969, Chapter 1060, as amended; Laws 1969, Chapter 775, as amended; or Laws 1967, Chapter 822, as amended, or three mills in any other district maintaining a post-secondary vocational-technical school times the adjusted assessed valuation of the district for the preceding year as determined by the equalization aid review committee. Under no circumstances may a district levy a total amount greater than the local share of its post-secondary vocational deficit as of July 1, 1975, as certified to the commissioner of education.

(3) If the additional levy allowed in clause (2) of this subdivision would be insufficient to eliminate the local share of the

district's post-secondary vocational deficit as of July 1, 1975, as certified to the commissioner of education, it may petition the commissioner of education for authority to issue general obligation bonds in an amount sufficient to meet the deficiency. Before the bonds may be issued, they must be authorized by the commissioner. The authorization shall specify a term not to exceed seven years and the amount of the bond issue, provided that the (LEVY AUTHORIZATION TO PAY THE PRINCIPAL AND INTEREST ON THE BONDS MAY NOT ANNUALLY) *amount of principal and interest due in any year on the bonds will not, based on the 1974 adjusted assessed valuation of the district as determined by the equalization aid review committee, exceed .25 mills in a district in a city of the first class, .5 mills in districts formed pursuant to Laws 1969, Chapter 1060, as amended; Laws 1969, Chapter 775, as amended; or Laws 1967, Chapter 822, as amended, or six mills in any other district maintaining a post-secondary vocational-technical school (TIMES THE 1974 ADJUSTED ASSESSED VALUATION OF THE DISTRICT AS DETERMINED BY THE EQUALIZATION AID REVIEW COMMITTEE; PROVIDED, HOWEVER, THAT THE MILL LIMITATION IS SUBJECT TO THE PROVISIONS OF SECTION 475.74).* The bonds authorized by this section shall be *secured*, sold and issued pursuant to the provisions of chapter 475, except as otherwise provided (HEREIN) *in this subdivision.* The bonds shall not be included in computing any debt limitation for (A) *the* district and no election shall be required for their sale and issuance.

(4) A district may not be authorized an additional levy under both clauses (2) and (3) of this subdivision.

(5) The state shall assume responsibility for 70 percent, or in Independent School District Nos. 595 and 793 for 85 percent, of a district's post-secondary vocational deficit as of July 1, 1975, as certified to the commissioner of education. The state portion of the deficit shall be paid to each district in fiscal years 1977 and 1978 in two equal payments, provided that the levy for the district's portion of the deficit has been approved by the commissioner and the required portion for the 1975 levy has been certified to the county auditor.

Sec. 90. Minnesota Statutes, 1975 Supplement, Section 275.-125, Subdivision 15, is amended to read:

Subd. 15. Any district which in any year levies an amount which is greater than the amount allowed by subdivisions 2a to 14, shall lose an amount of state foundation aid equal to one-half of the excess in the levy (, PROVIDED THAT). *However, if any levy (WHICH) is found to be excessive as a result of a decision of the tax court or a redetermination by the equalization aid review committee under section 124.212, subdivisions 11 to 18, (SHALL NOT BE COMPENSATED FOR IN THE NEXT LEVY OF THE DISTRICT) the amount of the excess shall be deducted from the levy certified in the next year for the same*

purpose; provided that if no levy is certified in the next year for the same purpose or if the amount certified is less than the amount of the excess, the excess shall be deducted from that levy and the levy certified pursuant to subdivision 2a. The amount of aid lost shall be deducted from the aid which would otherwise have been received for the school year which commences in the calendar year during which the excessive levy is being collected. Any foundation aid so withheld shall be withheld in accordance with the procedures specified in section 124.15. (A LEVY MADE IN 1971 PRIOR TO THE EFFECTIVE DATE OF EXTRA SESSION LAWS 1971, CHAPTER 31, ARTICLE 20 SHALL BE REVIEWED, AND MAY BE MODIFIED, BY THE APPROPRIATE AUTHORITY OF THE DISTRICT FOR THE PURPOSE OF REDUCING SUCH LEVY TO CONFORM TO THE LIMITATION IMPOSED BY EXTRA SESSION LAWS 1971, CHAPTER 31, ARTICLE 20. ANY REDUCTION IN SUCH LEVY MADE PRIOR TO DECEMBER 15, 1971 SHALL BE GIVEN THE SAME EFFECT AS THOUGH SUCH REDUCTION HAD BEEN MADE PRIOR TO THE EXPIRATION OF THE TIME ALLOWED BY LAW FOR MAKING THE LEVY.)

Sec. 91. Minnesota Statutes, 1975 Supplement, Section 298.-244, Subdivision 1, as amended by Laws 1976, Chapter 18, Section 4, is amended to read:

298.244 [DIVISION OF PROCEEDS OF SUPPLEMENTARY TAX ON TACONITE AND IRON SULPHIDES.] Subdivision 1. The proceeds of the tax collected under section 298.-243 shall be distributed by the commissioner of revenue, to various taxing districts and to the general fund in the following manner:

(1) Ten cents per gross ton of merchantable iron ore concentrate, hereinafter referred to as "taxable ton", on which the tax is imposed in section 298.243, shall be distributed to the county in which the taconite is mined or quarried or in which the concentrate is produced, less any amount which is to be distributed pursuant to clause (1a). The commissioner shall follow the apportionment formula prescribed in section 298.28, subdivision 1. The commissioner of revenue shall make all the necessary calculations and certify these calculations to the county auditor of each qualifying county. Payments provided herein shall be deducted in determining the county government's levy limitations under sections 275.50 to 275.56.

(1a) If an electric power plant owned by and providing the primary source of power for a taxpayer mining and concentrating taconite is located in a county other than the county in which the mining and the concentrating processes are conducted, one cent per gross ton of the tax distributed to the counties pursuant to clause (1) and imposed on and collected from such taxpayer shall be distributed by the commissioner of revenue to the county in which the power plant is located.

(2) Twenty cents per taxable ton, less any amount distributed under clause (2a), shall be distributed to a group of school districts comprised of those school districts wherein the taconite was mined or quarried or the concentrate produced or in which there is a qualifying municipality as defined by section 273.134 or in which is located property which is entitled to the reduction of tax pursuant to section 273.135. The 20 cents, less any amount distributed under clause (2a), shall be distributed in direct proportion to school district tax levies as follows: each district shall receive that portion of the total distribution which its permitted levy for the prior year, computed pursuant to section 275.125, comprises of the sum of permitted levies for the prior year for all qualifying districts, computed pursuant to section 275.125. That portion of the amount so distributed to a school district which is not deducted from state aids in section 124.212, subdivision 8a, shall be included in computing the permissible levies under section 275.125. *For purposes of distributions pursuant to this clause, permitted levies for the prior year computed pursuant to section 275.125 shall not include the amount of any increased levy authorized by referendum pursuant to section 275.125, subdivision 2a, clause (4).*

(2a) In 1976 and each year thereafter, there shall be distributed to any school district the amount which the school district was entitled to receive under section 298.32, in 1975.

(3) One cent per taxable ton shall be deposited in the state treasury to the credit of the iron range resources and rehabilitation commission account in the special revenue fund and is hereby appropriated for the purposes of section 298.22. This money is to be used to provide environmental development grants to local governments located within any county in region 3 as defined in governor's executive order number 60 issued on June 12, 1970, which does not contain a municipality qualifying pursuant to section 273.134.

(4) Eight cents per taxable ton shall be paid to the property tax relief account in the apportionment fund in the state treasury and shall be distributed as provided in sections 273.134 to 273.136.

Sec. 92. Minnesota Statutes 1974, Chapter 422A, is amended by adding a section to read:

[422A.081] [FINANCING OF RETIREMENT BENEFITS OF SCHOOL DISTRICT EMPLOYEES.] *Notwithstanding any law to the contrary, for taxes levied in 1976 and payable in 1977 and thereafter, levies for the cost of the financial requirements of the municipal employees' retirement fund under sections 422A.01 to 422A.25 for employees of the Minneapolis school district are disallowed except as provided in this section and the school district shall assume these costs. Beginning January 1, 1977, the school district shall pay to the retirement fund the*

amount of these costs for each year on the basis of an itemized statement of the employer's share of the financial requirements of the retirement board which are attributable to school district employees. The retirement board shall submit this statement to the school board prior to September 15, 1976 and September 15 of each year thereafter and the school district shall pay the retirement fund pursuant to this section at times designated by the retirement board. The school district may levy for its contribution pursuant to this section only to the extent allowed under section 84 of this act.

Sec. 93. Notwithstanding the provisions of Minnesota Statutes, Sections 16.16 or 16A.57 or any other law to the contrary, the state board for vocational education may expend any part of the amount appropriated by Laws 1975, Chapter 432, Section 96, Clause (11), which is not needed for post-secondary vocational deficit payments, to pay post-secondary vocational foundation aid for the 1976-1977 school year.

Sec. 94. Notwithstanding the provisions of section 90 of this act, Special School District No. 1 may retain the amount of \$1,100,000 received in settlement of a proceeding before the tax court regarding the determination of the 1973 and 1974 adjusted assessed valuation of the property in the district by the equalization aid review committee. The amount retained pursuant to this section shall be deposited in the "reserve account for current financing of special education" established pursuant to section 52, subdivision 11, of this act.

Sec. 95. Subdivision 1. The department of education may pay school districts sufficient sums from the appropriations in Laws 1975, Chapter 432, Section 96, Clause (2) for the years ending June 30, 1976 and 1977, to insure that each district receives the same amount for depreciation on buses which are nine or more years of age as of July 1, 1975 as the district would have received for those buses had the depreciation computation remained at ten percent per year for 1976 and 1977 in section 124.222. The state shall not be obligated for any amount in excess of this appropriation in future years because of this change in computation method.

Subd. 2. The department of education may pay \$27,090.75 from the sum appropriated pursuant to Laws 1975, Chapter 432, Section 96, Clause (1) for the year ending June 30, 1976, to Independent School District No. 332 for foundation aid not paid in fiscal years 1972 and 1973.

Subd. 3. The department of education may pay \$5,501.58 from the sum appropriated pursuant to Laws 1975, Chapter 432, Section 96, Clause (1) for the year ending June 30, 1976, to Independent School District Numbers 200, 213, 276, and 492 for payment of unpaid aid for shared time instructional programs determined to be due by the public examiner.

Subd. 4. Notwithstanding the provisions of Laws 1975, Chapter 433, Section 2, Subdivision 9, Paragraph 4, the council on quality education may transfer \$31,110 from the appropriation in Laws 1975, Chapter 433, Section 2, Subdivision 4, Clause (2), to the appropriation in Laws 1975, Chapter 433, Section 2, Subdivision 4, Clause (1).

Subd. 5. Notwithstanding the provisions of Laws 1975, Chapter 433, Section 2, Subdivision 9, any additional federal funds which become available to the state of Minnesota for vocational rehabilitation purposes after March 1, 1976 and April 1 of each fiscal year thereafter as a result of a reallocation of funds returned by other states or release of additional funds may be carried over and expended in the next fiscal year. The state of Minnesota shall have earned these funds in the year they are received with state expenditures in accordance with the federal-state formula in effect for that year.

Subd. 6. After it has completed a financial audit of Independent School District No. 761 for the appropriate years, the department of education may pay any foundation aid found to be due to Independent School District No. 761 for fiscal years 1973, 1974, and 1975 because of accounting errors made by that district in the 1970-71 school year. These payments shall be made from the sum appropriated pursuant to Laws 1975, Chapter 432, Section 96, Clause (1) for the year ending June 30, 1976.

Subd. 7. Notwithstanding the provisions of Laws 1975, Chapter 432, Section 96, Clause 13, no more than \$30,000 may be expended in the fiscal year ending June 30, 1977 for dissemination of information and administration of early childhood identification and education programs pursuant to sections 3.9271 to 3.9275, and for the employment of one unclassified person by the council beyond the existing complement of the department of education for those purposes. Of this \$30,000, no more than \$15,000 may be expended in the fiscal year ending June 30, 1977 for evaluation of these programs.

Sec. 96. There is appropriated from the general fund of the state treasury to the department of education the sum of \$90,000 for the fiscal year ending June 30, 1977. The department shall pay this sum to Independent School District No. 625 for its career study centers programs upon receipt of a resolution by the school board of that district that (1) it will establish and maintain an account separate from all other district accounts for the receipt and disbursement of all funds related to these career study center programs, (2) that the full foundation aid formula allowance per pupil unit attributable to each student enrolled in a career studies program, including that portion earned pursuant to Minnesota Statutes, Section 124.17, Subdivision 1, Clauses (4) and (5), will be deposited by the district in that account, and (3) that the moneys deposited in that account shall be used solely for the purposes of the career study centers

programs. For the 1976-1977 school year, the foundation aid formula allowance per pupil unit shall be \$960 for Independent School District No. 625.

Sec. 97. [APPROPRIATIONS.] Subdivision 1. There is appropriated from the general fund to the department of education the sums indicated in this section for the fiscal years ending June 30 in the years designated.

Subd. 2. [EMERGENCY AID.] For emergency aid there is appropriated:

\$300,000 1977.

The appropriation in this subdivision shall be added to the sum appropriated in Laws 1975, Chapter 432, Section 96, Clause (1) for this purpose.

Subd. 3. [SPECIAL EDUCATION AID.] For special education aid there is appropriated:

\$1,000,000 1976,

\$2,925,600 1977.

(a) The appropriations in this subdivision shall be added to the sums appropriated for the years designated in Laws 1975, Chapter 432, Section 96, Clause (3).

(b) The appropriations in this subdivision and in Laws 1975, Chapter 432, Section 96, Clause (3), for the year ending June 30, 1977, include \$2,300,000 for the payment of special education aid for 1976 summer school programs and if the appropriation for this purpose is insufficient, the aid shall be prorated among all qualifying districts. This payment shall be made on the basis and at the rate prescribed for 1975 summer school programs in Minnesota Statutes, 1975 Supplement, Section 124.32, Subdivision 1 and Minnesota Statutes 1974, Section 124.32, Subdivision 2. This payment shall be made on or before October 1, 1976. This payment shall be made notwithstanding the provisions of Minnesota Statutes, 1975 Supplement, Section 124.32, Subdivision 3a.

(c) The appropriations in this subdivision and in Laws 1975, Chapter 432, Section 96, Clause (3), for the year ending June 30, 1977, include \$200,000 for reimbursement of the actual costs incurred by school districts for instruction and services for handicapped children whose districts of residence are determined pursuant to Minnesota Statutes, Section 120.17, Subdivision 8a, and who are temporarily placed in state institutions or licensed residential facilities for care and treatment for the 1975-1976 school year and 1976 summer school. If the appropriation for

this purpose is insufficient, the aid shall be prorated among all qualifying districts. This reimbursement shall be made on the same basis and at the same rate as for the 1974-1975 school year and 1975 summer school pursuant to Minnesota Statutes 1974, Section 124.32, Subdivision 6. This reimbursement shall be made notwithstanding the provisions of Minnesota Statutes, 1975 Supplement, Section 124.32, Subdivision 3a.

(d) The appropriations in this subdivision and in Laws 1975, Chapter 432, Section 96, Clause (3), for the year ending June 30, 1977, include \$2,500,000 for the payment of aid according to the provisions of Minnesota Statutes, 1975 Supplement, Section 124.32, Subdivision 5, for educational programs during the 1975-1976 school year and 1976 summer school. This payment shall be made notwithstanding the annual expenditure limit of \$400,000 specified in Minnesota Statutes, 1975 Supplement, Section 124.32, Subdivision 5, and notwithstanding the provisions of Minnesota Statutes, 1975 Supplement, Section 124.32, Subdivision 3a.

Subd. 4. [ADULT EDUCATION.] For adult education aid there is appropriated:

\$117,925.....1976,

\$178,500.....1977.

The appropriation in this subdivision shall be added to the sums appropriated for the years designated in Laws 1975, Chapter 432, Section 96, Clause (13), and shall be used solely as aid for programs conducted pursuant to Minnesota Statutes, Section 124.26. If the appropriations in this subdivision, when added to the appropriations made pursuant to Laws 1975, Chapter 432, Section 96, Clause (13) are insufficient in either year, the aid shall be prorated among all qualifying districts and the state shall not be obligated for any amount in excess of these appropriations for this purpose.

Subd. 5. [SOUTHEAST ASIAN CHILDREN.] For educational services to Southeast Asian children, there is appropriated:

\$50,000.....1977.

The appropriation in this subdivision shall be used solely for the purpose of section 9 of this act. If the appropriation in this subdivision is insufficient for this purpose, the aids shall be prorated among all qualifying districts and the state shall not be obligated for any amount in excess of this appropriation for this purpose.

Subd. 6. [TRANSFER OF SCHOOL FOR DEAF AND BRAILLE AND SIGHT-SAVING SCHOOL.] For the transfer

of the Minnesota school for the deaf and the Minnesota braille and sight-saving school, there is appropriated:

\$30,000.....1977.

The appropriation in this subdivision is for the purpose of planning the transfer of the Minnesota school for the deaf and the Minnesota braille and sight-saving school from under the jurisdiction of the commissioner of welfare to the state board of education. Not to exceed \$20,000 of the appropriation in this subdivision shall be used to hire additional personnel beyond the existing complement of the department of education for this purpose.

Subd. 7. [U.F.A.R.S. IMPLEMENTATION.] For implementation of the uniform financial accounting and reporting system for Minnesota school districts, there is appropriated:

\$250,000.....1976.

The appropriation in this subdivision shall be used for dissemination of materials, inservice training of public school personnel, and for additional departmental personnel necessary to implement this system; provided that this appropriation shall not be used to hire more than one professional and one clerical employee beyond the existing complement of the department of education for this purpose. Any unexpended balance remaining from the appropriation in this subdivision shall not cancel but shall be available for the second year of the biennium.

Subd. 8. [GROSS EARNINGS.] For gross earnings aid pursuant to Minnesota Statutes, Section 124.28, there is appropriated:

\$191,442.....1977.

(a) The appropriation in this subdivision shall be added to the sum appropriated for the year ending June 30, 1977 in Laws 1975, Chapter 432, Section 96, Clause (20).

(b) The appropriation in this subdivision, when added to the sum appropriated for the year ending June 30, 1977 in Laws 1975, Chapter 432, Section 96, Clause (20), includes \$291,442 which shall be expended to pay \$237,884 to Independent School District No. 181, \$43,980 to Independent School District No. 703, and \$9,578 to Independent School District No. 381, for gross earnings aid not paid in fiscal years 1974 and 1975. These payments pursuant to this clause shall not be prorated pursuant to Minnesota Statutes, Section 124.28, Subdivision 2, among all districts entitled to gross earnings aid, but these payments shall be deemed fiscal year 1977 payments to the designated districts pursuant to Minnesota Statutes, Section 124.28 for other purposes, including

deduction from all foundation aid pursuant to Minnesota Statutes, Section 124.212 and reductions of levies pursuant to Minnesota Statutes, Section 275.125.

Subd. 9. [SPECIAL EDUCATION PROGRAM AND BUDGET REVIEW.] *For special education program and budget review and approval there is appropriated:*

\$150,000 1976.

The appropriation in this subdivision shall be used for the employment of four additional professional employees and two additional clerical employees beyond the existing complement of the department of education, and for other necessary and related expenses incurred in connection with the review and approval of special education programs and budgets. Any unexpended balance remaining from the appropriation in this subdivision shall not cancel but shall be available for the second year of the biennium.

Subd. 10. [BOARD OF TEACHER STANDARDS AND CERTIFICATION.] *For the board of teacher standards and certification and for any successor board or agency, there is appropriated:*

\$30,000 1977.

The appropriation in this subdivision shall be used for the purposes of Minnesota Statutes, Section 125.184, Subdivision 2.

Subd. 11. [CURRICULUM PLANNING, EVALUATION AND REPORTING.] *For the purposes of sections 1 to 5 of this act, there is appropriated:*

\$200,000 1976.

The appropriation in this subdivision includes \$60,000 which shall be expended for the purpose of making grants to demonstration projects pursuant to section 5 of this act. Any unexpended balance remaining from the appropriation in this subdivision shall not cancel but shall be available for the second year of the biennium.

Subd. 12. [ADVISORY TASK FORCE ON NONPUBLIC SCHOOLS.] *To fund the advisory task force on nonpublic schools, there is appropriated:*

\$25,000 1976.

The appropriation in this subdivision shall be used solely for the purposes of section 8 of this act. Any unexpended balance remaining from the appropriation in this subdivision shall not cancel but shall be available for the second year of the biennium.

Subd. 13. [TEEN CORPS.] For the Teen Corps of America-Minnesota Teen Corps, there is appropriated:

\$10,000 1976.

The department shall pay this sum to Teen Corps of America-Minnesota Teen Corps for the purpose of taking referrals of youth under age 20 from school districts or juvenile courts. The money shall be paid on the first day of each month at the rate of \$25 per day per youth provided with room, board, and education during the preceding month. Any unexpended balance remaining from the appropriation in this subdivision shall not cancel but shall be available for the second year of the biennium.

Sec. 98. [REPEALER.] Subdivision 1. Minnesota Statutes 1974, Sections 122.54; 125.185, Subdivision 8; 275.127; 275.39; 275.41; 275.42; and Minnesota Statutes, 1975 Supplement, Section 275.125, Subdivision 11, are repealed.

Subd. 2. Minnesota Statutes 1974, Sections 248.01; 248.02; 248.05; 248.06; and 248.09 are repealed. This subdivision shall be effective July 1, 1977.

Subd. 3. Minnesota Statutes 1974, Sections 124.28, as amended by Laws 1975, Chapter 432, Section 44; 124.281; and 124.29 are repealed. This subdivision shall be effective July 1, 1979.

Sec. 99. [EFFECTIVE DATES.] Sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 19, 20, 24, 35, 36, 37, 38, 42, 43, 44, 46, 48, 50, 53, 54, 55, 63, 64, 78, 88, 89, 90, 94, 95 and 97 shall be effective the day following final enactment. Section 52, subdivisions 7 and 11, shall be effective the day following final enactment. Sections 15, 16, 49, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76 and 77 shall be effective July 1, 1977. Section 13 shall be effective August 15, 1977."

Further strike the title in its entirety and insert the following:

"A bill for an act relating to the operation of government; providing for aids to education, tax levies, and the distribution of tax revenues; changing the funding of special education, adult vocational education, and secondary vocational education to a current funding basis; granting certain powers and duties to school districts, the commissioner of education, the state board of education, and the state board for vocational education; providing for the adoption of the uniform financial accounting and reporting system for Minnesota school districts; transferring the Minnesota school for the deaf and the Minnesota braille and sight-saving school from the jurisdiction of the commissioner of welfare to the state board of education; authorizing and prohibiting certain fees; establishing a uniform definition of school age for all handicapped children; appropriating money; amend-

ing Minnesota Statutes 1974, Sections 120.17, Subdivisions 2 and 5, and by adding subdivisions; 120.73, Subdivision 1; 120.74, Subdivision 1; 121.21 by adding a subdivision; 122.45, Subdivisions 2 and 3a; 123.37, Subdivisions 1 and 1b; 124.212 by adding a subdivision; 124.222 by adding a subdivision; 124.32 as amended; 125.185, Subdivision 4; 246.01; 248.07, Subdivision 3; and 275.125 by adding subdivisions; Chapter 124 by adding sections; and Chapter 422A by adding a section; and Minnesota Statutes, 1975 Supplement, Sections 120.17, Subdivision 1; 121.11, Subdivision 5; 121.165; 122.23, Subdivision 15; 122.45, Subdivision 1; 124.04; 124.17, Subdivisions 1 and 2; 124.212, Subdivisions 8a and 11a; 124.223; 124.26 by adding a subdivision; 124.271, Subdivision 2; 124.43, Subdivision 1; 124.561, Subdivision 3 and by adding a subdivision; 124.562, Subdivision 2; 124.563, Subdivision 3; 124.564; 124.565, Subdivision 2; 124.611, Subdivisions 1 and 2; 268.08, Subdivision 5; 273.138, Subdivision 3; 275.125, Subdivisions 2a, 4, 5, 6, 7, 8, 9, 14 and 15, and by adding subdivisions; and 298.244, Subdivision 1, as amended; repealing Minnesota Statutes 1974, Sections 122.54; 124.28, as amended; 124.281; 124.29; 125.185, Subdivision 8; 248.01; 248.02; 248.05; 248.06; 248.09; 275.127; 275.39; 275.41; and 275.42; and Minnesota Statutes, 1975 Supplement, Section 275.125, Subdivision 11."

We request adoption of this report and repassage of the bill.

House Conferees: JOSEPH P. GRABA, CARL M. JOHNSON, SALISBURY ADAMS, BRUCE F. VENTO and TOM K. BERG.

Senate Conferees: JERALD C. ANDERSON, JEROME M. HUGHES, JOSEPH T. O'NEILL, DOUGLAS H. SILLERS and B. ROBERT LEWIS.

Graba moved that the report of the Conference Committee on H. F. No. 1997 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 1997, A bill for an act relating to the operation of state government; providing for aids to education, tax levies and the distribution of tax revenues; changing the funding of special education, adult vocational education and secondary vocational education to a current funding basis; granting certain powers and duties to school districts, the commissioner of education, and the state board of education; establishing a uniform financial accounting and reporting system for Minnesota school districts; requiring the provision of special education on a shared time basis to nonpublic school pupils; appropriating money; amending Minnesota Statutes 1974, Sections 120.17, by adding a subdivision; 120.73, Subdivision 1; 120.74, Subdivision 1; 121.21, by adding a subdivision; 122.45, Subdivisions 2 and 3a; 124.212, by adding a subdivision; 124.32, as amended; Chapter 124, by adding sections; Minnesota Statutes, 1975 Supplement, Sections 122.23, Subdivision 15; 122.45, Subdivision 1; 124.04; 124.17, Subdivisions 1 and 2; 124.212, Subdivision 8a; 124.271, Subdi-

vision 2; 124.43, Subdivision 1; 124.561, Subdivision 3, and by adding a subdivision; 124.562, Subdivision 2; 124.563, Subdivision 3, and by adding a subdivision; 124.564; 124.565, Subdivision 2; 124.611, Subdivisions 1 and 2; 275.125, Subdivisions 2a, 4, 5, 8, 9, and 14; repealing Minnesota Statutes 1974, Sections 122.54 and 275.39.

The bill was read for the third time, as amended by Conference, and placed upon its repassage.

The question being taken on the repassage of the bill and the roll being called, there were yeas 126, and nays 5, as follows:

Those who voted in the affirmative were:

Abeln	Eken	Kelly, R.	Nelsen	Sieloff
Adams, L.	Enebo	Kelly, W.	Nelson	Simoneau
Adams, S.	Erickson	Kempe, A.	Niehaus	Skoglund
Albrecht	Esau	Kempe, R.	Norton	Smith
Anderson, G.	Evans	Ketola	Novak	Smogard
Anderson, I.	Ewald	Knickerbocker	Osthoff	Spanish
Arlandson	Faricy	Knoll	Patton	Stanton
Beauchamp	Fjoslien	Kostohryz	Pehler	Suss
Berg	Forsythe	Kroening	Peterson	Swanson
Berglin	Friedrich	Kvam	Petrafeso	Ulland
Biersdorf	Fudro	Laidig	Philbrook	Vanasek
Braun	George	Langseth	Pleasant	Vento
Brinkman	Graba	Lemke	Prahl	Volk
Byrne	Hanson	Lindstrom	Reding	Voss
Carlson, A.	Haugerud	Luther	Rice	Wenstrom
Carlson, L.	Heinitz	Mangan	St. Onge	Wenzel
Casserly	Hokanson	Mann	Samuelson	White
Clark	Jacobs	McCarron	Sarna	Wieser
Clawson	Jaros	McCauley	Savelkoul	Wigley
Corbid	Jensen	McCollar	Schreiber	Williamson
Dahl	Johnson, C.	McEachern	Schumacher	Zubay
Dean	Jopp	Menning	Searle	Speaker Sabo
DeGroat	Jude	Metzen	Setzepfandt	
Dieterich	Kahn	Moe	Sherwood	
Doty	Kaley	Munger	Sieben, H.	
Eckstein	Kalis	Neisen	Sieben, M.	

Those who voted in the negative were:

Begich	Carlson, R.	Fugina	Johnson, D.	Schulz
--------	-------------	--------	-------------	--------

The bill was repassed, as amended by Conference, and its title agreed to.

Anderson, I., moved that the House recess subject to the call of the Chair. The motion prevailed.

RECESS

RECONVENED

The House reconvened and was called to order by the Speaker.

SPECIAL ORDERS

S. F. No. 2309 was reported to the House.

Patton moved that S. F. No. 2309 be continued on Special Orders for one day. The motion prevailed.

H. F. No. 2281 was reported to the House.

Tomlinson moved to amend H. F. No. 2281, as follows:

Page 9, line 14, delete "7" and insert "8".

Page 9, line 20, delete "11" and insert "12".

Page 10, line 26, delete "24" and insert "25".

Page 11, line 23, delete ", subdivision 4".

Page 20, line 1, delete "24" and insert "25".

Page 20, line 20, delete "26" and insert "25".

Page 20, line 22, delete "462.325" and insert "462.525".

Page 20, line 27, delete the comma and "subdivision 2".

Page 22, line 1, delete "15" and insert "16".

Page 27, line 6, delete "24" and insert "25".

Page 28, line 16, delete "subclause" and insert "clause".

Page 28, line 16, after "this" delete "clause" and insert "subdivision".

Page 28, line 21, delete "subclause" and insert "clause".

Page 28, line 25, delete "subclause" and insert "clause".

Page 29, line 21, delete the comma and "subdivision".

Page 29, line 22, delete "2".

Page 30, line 26, delete "24" and insert "25".

Page 36, line 22, delete "24" and insert "25".

Page 38, line 5, delete "24" and insert "25".

Page 12, line 29, after "*acquisition*" insert "*and betterment*".

Page 27, line 4, after "*acquisition*" insert "*and betterment*".

Page 27, line 22, delete "*completion*" and insert "*acquisition and betterment*".

Page 30, line 12, delete "*acquisition*" and insert "*construction*".

Page 33, line 15, delete "*acquired*" and insert "*constructed*".

Page 36, line 21, delete "*acquired*" and insert "*constructed*".

Page 15, line 3, delete everything after "*is*" and insert "*located in the Minneapolis facility*".

Page 15, line 4, delete "*sports*".

Page 16, line 22, delete "*seven county*".

Page 31, line 5, delete "*likely*".

Page 38, line 4, delete "*If a*".

Page 38, delete lines 5 and 6.

Page 38, line 7, delete "*area*".

Page 9, line 10, delete "*recreational and sports*" and insert "*indoor public assembly facilities and sports*".

Page 9, line 11, delete "*auditorium and stadium*".

Page 9, line 30, delete "*public regional sports and auditorium*" and insert "*publicly financed sports facilities and indoor public assembly*".

Page 10, line 8, delete "*regional*".

Page 10, line 9, delete "*auditorium*" and insert "*indoor public assembly*".

Page 10, line 11, delete "*regional*".

Page 10, line 17, delete "*public regional*" and insert "*publicly financed*".

Page 10, line 18, delete "*auditorium*" and insert "*indoor public assembly facility*".

Page 14, line 1, delete "*a stadium at*" and insert "*the sports facility*".

Page 14, line 2, delete "*the site*".

Page 14, line 4, delete "*site*" and insert "*location*".

Page 14, line 8, delete "*stadium site*" and insert "*sports facility*".

Page 14, delete lines 15 to 17, and insert: "*(f) The construction of the sports facility shall be accomplished within the limitations and conditions provided for in section 20, subdivision 3.*".

Page 14, line 25, delete "*through private box lease rate*" and insert "*by means of reductions in lease rates for the use of sports facility private boxes, or by other means, offered in connection with the acquisition of title to real property or clearance of such real property necessary for the construction and operation of a sports facility, as described in clause (h).*".

Page 14, delete lines 26 to 28.

Page 15, line 4, after "*property*" insert "*other than the metropolitan sports area*".

Page 27, line 17, delete "*lease,*" and insert "*use the sports facility for all scheduled regular season home games and play-off and championship home games, and, in the case of the football organization, for at least three of its exhibition games played each season.*".

Page 27, delete lines 18 and 19.

Page 27, line 20, delete "*sports facility*" and insert "*Such agreements shall be*".

Page 30, delete lines 18 to 20 and insert the following: "*(c) None of the proceeds shall be used for acquisition of real property for construction and operation of the sports facility,*".

Page 16, line 9, delete "*transmit*" and insert "*transit*".

Page 20, line 15, before the period insert "*and within the limits of the metropolitan sports area*".

The motion prevailed and the amendment was adopted.

Tomlinson moved to amend H. F. No. 2281, as amended, as follows:

Page 17, line 28, delete everything after "of" and insert *"two of the members initially appointed by the governor and the terms of the members initially appointed from council districts 5 to 8 and 9, 11, 15 and 16 shall expire with the term of the governor and the terms of remaining members shall"*.

Page 17, delete lines 29 and 30.

Page 18, line 7, after "7" insert *", except that the chairman shall be compensated in the same manner as other commission members"*.

Page 18, line 13, after "law." insert *"The term of the office of chairman shall be one year except that the term of the chairman initially selected shall expire on the day of the first meeting of the commission held in 1978."*

Page 24, line 25, after "privilege" insert *", except that the executive director shall be appointed solely according to the provisions of section 12, subdivision 7"*.

Page 26, line 20, delete "and" and insert a comma.

Page 26, line 21, after "expenditures" insert *", and (c) the financial solvency of each existing publicly financed indoor public assembly facility in the metropolitan area having a simultaneous capacity of at least 8,000 seats and 15,000 square feet of exhibit space"*.

Page 35, after line 17, insert a subdivision to read:

"Subd. 4. [BUDGET PREPARATION; REVIEW AND APPROVAL.] Commencing with the operation of a sports facility constructed pursuant to sections 9 to 25 of this act, the commission shall prepare, submit to the council and adopt a budget in the manner provided in, and otherwise comply with, the provisions of section 473.163."

Page 35, after line 17 (after the new subdivision 4 above), insert the following:

"Subd. 5. [AUDIT.] The commission once each year shall have an independent audit made of its books and accounts by a certified public accountant. The costs of the audits shall be paid by the commission. The council is authorized to examine the commission's books and accounts at any time."

Page 35, line 18, delete "4" and insert "6".

The motion prevailed and the amendment was adopted.

Tomlinson moved to amend H. F. 2281, as amended, as follows:

Page 11, line 22, strike "fund".

Page 11, line 22, strike "the fund,".

Page 11, strike line 23.

Page 11, line 24, strike "which are payable".

Page 11, line 24, after "interest" insert "due each year".

Page 11, line 25, strike "debt obligations".

Page 13, lines 11 and 12, strike "the proceeds of bonds issued" and insert "taxes levied".

Page 13, line 12, strike "20" and insert "21".

Page 13, line 12, strike "1," and insert "2.".

Page 13, strike line 13.

Page 24, line 4, delete "section 20" and insert "sections 20 and 21".

Page 27, lines 13 and 14, strike "in excess of \$1,500,000,".

Page 29, line 15, strike "general obligation revenue".

Page 29, line 27, after "chapter 475" and before the comma insert "for bonds payable solely from revenues".

Page 29, line 30, after "chapter" and before the period insert "except that there shall be no limit on the interest rates, and the bonds may be sold at any price and at public or private sale as determined by the council, and they shall be payable solely from tax and other revenues referred to in section 21, and shall not be a general obligation or debt of the metropolitan council or of the commission".

Page 30, line 21, strike "in excess of \$1,500,000".

Page 31, strike lines 10 to 22 and insert:

"Subd. 4. [SECURITY.] The tax and other revenues described in section 21 shall be and remain pledged and appropriated for the payment of all necessary and reasonable expenses of the operation, administration, maintenance and debt service of the commission's sports facilities until all bonds referred to in section 14, subdivision 2 and all bonds issued pursuant to this section are fully paid. The bonds referred to in section 14, subdivision 2 may be refunded, whether at a lower or a higher rate of

interest, by the issuance of new bonds pursuant to subdivision 1, clause (b) for the purpose of pledging revenues of the metropolitan sports area for the payment and security of bonds issued hereunder, and until these bonds are fully paid or the council's obligation thereon is discharged in accordance with law they shall be deemed a first and prior charge on those revenues and secured by all provisions of the revenue bond resolution and the ownership and operations agreement. Bonds issued pursuant to this section may be secured by a bond resolution, or by a trust indenture entered into by the council with a corporate trustee within or outside the state, which shall define the tax and other revenues pledged for the payment and security of the bonds. The pledge shall be a valid charge on the net revenues from the date when bonds are first issued under the resolution or indenture, and shall secure not only the payment of principal and interest and redemption premiums when due, but also the maintenance at all times of a reserve securing such payments, to be established from proceeds of the bonds or of the tax authorized in Section 21, Subdivision 2, at the time of first issuance of the bonds or within three years thereafter, in an amount at least equal to the maximum amount of principal and interest (except any amount of term maturity bonds required to be redeemed before maturity) to become due or subject to mandatory redemption in any subsequent year, with respect to all bonds outstanding under the bond resolution or indenture. No mortgage of or security interest in any tangible real or personal property shall be granted to the bondholders or the trustee, but they shall have a valid security interest in all revenues received and accounts receivable by the commission or council hereunder, as against the claims of all other persons in tort, contract, or otherwise, irrespective of whether such parties have notice thereof, and without possession or filing as provided in the uniform commercial code or any other law. In the bond resolution or trust indenture the council may make such covenants, which shall be binding upon the commission, as are determined to be usual and reasonably necessary for the protection of the bondholders, including but not limited to covenants regarding deposit, investment, and disposition of bond proceeds and revenues in the hands of the treasurer or the trustee; construction, acquisition, repair, replacement, operation, and insurance of facilities; funds accounting, and reports; establishment and revision of rentals, fees, and charges to produce sufficient revenues; conditions of use and agreements for the use of facilities; establishment and maintenance of reserves for working capital, debt service, repairs, and replacements; amendment of covenants and other provisions; conditions for satisfaction and discharge of bond obligations; conditions for issuance of additional bonds as a superior, equal, or subordinate charge on the revenues pledged and the property mortgaged; duties and liabilities of the trustee; events of default and the waiver thereof; remedies, including acceleration; and limitations upon the prosecution of remedies. No pledge, mortgage, covenant, or agreement securing revenue bonds may be impaired, revoked, or amended by law or by action of the council or commission, except in accordance with the terms of the resolution or indenture

under which the bonds are issued, until the obligations of the council thereunder are fully discharged."

Page 31, line 27, after the comma, insert *"but subject to any limitation or prohibition in a bond resolution or indenture,"*.

Page 31, line 23, strike "[CERTIFICATES OF INDEBTEDNESS]" and insert "[REVENUE ANTICIPATION CERTIFICATES]".

Page 31, line 30, strike *"general obligation"* and insert *"revenue anticipation"*.

Page 31, line 30, following *"certificates"* strike *"of"*.

Page 31, line 31, strike *"indebtedness"*.

Page 32, line 5, strike *"debt service"*.

Page 32, line 12, after *"revenues received"*, strike the rest of the line and all of lines 13 and 14 and insert *", and the council shall raise the rate of the tax not to exceed two percent authorized in section 21, subdivision 2 so far as necessary to restore the deficiency and produce revenues sufficient to pay all costs of operation, maintenance, administration and debt service in the then current and following budget years."*

Page 33, strike lines 20 to 30 and insert:

"Subd. 2. [ON SALE LIQUOR TAX.] The council may impose a tax, effective June 1, 1976,"

Page 34, line 3, strike *"in which a one"*.

Page 34, strike lines 4 to 16 and insert *"the commission experiences a cash deficit or the council estimates that the tax and other revenues to be received in the current or following year will not be sufficient to avoid a cash deficit, the council may and shall increase the rate of the tax not to exceed two percent to such percent of the sales price as it estimates will be sufficient to remove any present and prevent any future deficit. It may reduce the rate at any time after 12 months of operation without a deficit, to such rate as it estimates will be adequate to prevent the recurrence of a deficit. Nothing herein shall affect the computation of a deficit requiring contributions from professional sports organizations under section 19, subdivision 3."*

Page 34, line 25, strike *"and shall be paid"* and insert a period.

Page 34, strike lines 26 to 31.

Page 35, strike lines 28 to 30 and insert "*capital, and shall remit the net revenues to the council at the times and in the amounts required for performance of all of its obligations under sections 14 and 20 and the provisions of any bond resolution or indenture, or required by resolutions adopted by the council consistent therewith.*".

A roll call was requested and properly seconded.

The question was taken on the adoption of the amendment and the roll being called, there were yeas 116, and nays 10, as follows:

Those who voted in the affirmative were:

Abeln	Enebo	Kelly, R.	Neisen	Sieben, M.
Adams, L.	Erickson	Kelly, W.	Nelsen	Sieloff
Adams, S.	Esau	Kempe, A.	Nelson	Simoneau
Albrecht	Evans	Kempe, R.	Norton	Skoglund
Anderson, G.	Ewald	Ketola	Novak	Smith
Arlandson	Faricy	Knickerbocker	Osthoff	Smogard
Beauchamp	Fjoslien	Knoll	Patton	Stanton
Begich	Forsythe	Kostohryz	Pehler	Swanson
Berg	Friedrich	Kroening	Peterson	Tomlinson
Berglin	Fudro	Laidig	Petrafeso	Ulland
Brinkman	George	Langseth	Philbrook	Vanasek
Carlson, A.	Graba	Lemke	Prahl	Vento
Carlson, L.	Hanson	Lindstrom	Reding	Wenstrom
Carlson, R.	Heinitz	Luther	Rice	Wenzel
Casserly	Hokanson	Mangan	Samuelson	White
Clark	Jacobs	Mann	Sarna	Wieser
Clawson	Jaros	McCarron	Savelkoul	Wigley
Corbid	Jensen	McCauley	Schreiber	Williamson
Dahl	Johnson, C.	McCollar	Schulz	Zubay
Dean	Johnson, D.	McEachern	Schumacher	Speaker Sabo
Dieterich	Jude	Menning	Searle	
Doty	Kahn	Metzen	Setzepfandt	
Eckstein	Kaley	Moe	Sherwood	
Eken	Kalis	Munger	Sieben, H.	

Those who voted in the negative were:

Anderson, I.	Braun	DeGroat	Pleasant	Volk
Biersdorf	Byrne	Niehaus	St. Onge	Voss

The motion prevailed and the amendment was adopted.

Petrafeso moved to amend H. F. No. 2281.

POINT OF ORDER

Savelkoul raised a point of order pursuant to rule 3.9 that the Petrafeso amendment was out of order. The Speaker ruled the point of order well taken and the amendment out of order.

Suss was excused for the remainder of today's session.

Jacobs moved to amend H. F. No. 2281, as amended, as follows:

Page 39, after line 12, insert:

"Sec. 26. [TELEVISION BROADCAST OF GAMES AT STADIUM.] *Subdivision 1. [DEFINITIONS.] For the purposes of this section:*

(1) "Professional sports club" includes any professional football, baseball, or soccer club located in this state which is a tenant of a stadium facility constructed pursuant to sections 9 to 25;

(2) "League television contract" means any joint agreement by or among professional sports clubs by which any league of the clubs sells or otherwise transfers all or part of the rights of the league's member clubs in the sponsored telecasting of the games engaged in or conducted by the clubs;

(3) "Agreement" includes any contract, arrangement, or other understanding;

(4) "Available for purchase by the general public", when used with respect to tickets of admission for seats at a game to be played by a professional sports club, means only those tickets on sale at the stadium where the game is to be played, or, if the tickets are not sold at the stadium, only those tickets on sale at the box office closest to the stadium;

(5) "Metropolitan area" has the meaning given it in section 473.121.

Subd. 2. [RESTRICTIVE AGREEMENTS PROHIBITED.] No professional sports club shall be a party to or benefit from an agreement which would prevent the broadcasting by means of television within the metropolitan area of any game of the club which is to be broadcast by television pursuant to a league television contract and for which 90 percent of the tickets of admission for seats at the game which were available for purchase by the general public 120 hours or more before the scheduled beginning time of the game have been purchased 72 hours or more before the beginning time. The right to broadcast the game by means of television shall be made available, by the person or persons having such right, to a television broadcast licensee on reasonable terms and conditions unless the broadcasting, by means of television of the game at such time and in such area would be a telecasting which Title 15 U.S.C. Section 1293 is intended to prevent.

Subd. 3. The provisions of this section may be enforced by means of a civil suit for injunctive relief brought in the district court of the county in which the stadium facility is located.

Sec. 27. [SEVERABILITY.] If section 26 is found to be unconstitutional and void, the remaining provisions of this act shall remain valid."

Renumber the remaining sections.

Amend the title:

Page 1, line 12, after the semicolon insert "requiring the television broadcast within the metropolitan area of certain games;"

A roll call was requested and properly seconded.

Ulland moved to amend the Jacobs amendment to H. F. No. 2281, as amended, as follows:

Page 2, line 12, delete "90" and insert "95".

A roll call was requested and properly seconded.

The question was taken on the adoption of the Ulland amendment to the Jacobs amendment and the roll being called, there were yeas 24, and nays 92, as follows:

Those who voted in the affirmative were:

Adams, S.	Doty	Knickerbocker	Schulz	Vanasek
Anderson, G.	Eken	Lindstrom	Setzepfandt	Wenstrom
Brinkman	Erickson	McCauley	Skoglund	Williamson
Casserly	Ewald	Nelsen	Tomlinson	Zubay
Dieterich	Heinitz	Savelkoul	Ulland	

Those who voted in the negative were:

Abeln	Dean	Jopp	Metzen	Sieben, H.
Adams, L.	Eckstein	Jude	Moe	Sieben, M.
Albrecht	Enebo	Kahn	Neisen	Sieloff
Anderson, I.	Esau	Kaley	Nelson	Simoneau
Arlandson	Evans	Kelly, R.	Niehäus	Smogard
Beauchamp	Faricy	Kempe, A.	Norton	Spanish
Begich	Fjoslien	Kempe, R.	Novak	Stanton
Berg	Forsythe	Ketola	Osthoff	Swanson
Berglin	Friedrich	Knoll	Patton	Vento
Biersdorf	Fudro	Kostohryz	Pehler	Volk
Braun	George	Kroening	Peterson	Voss
Byrne	Graba	Kvam	Petrafeso	Wenzel
Carlson, A.	Hanson	Laidig	Pleasant	White
Carlson, L.	Hokanson	Langseth	Prahl	Wieser
Carlson, R.	Jacobs	Lemke	Reding	Wigley
Clark	Jaros	Luther	St. Onge	Speaker Sabo
Clawson	Jensen	Mann	Samuelson	
Corbid	Johnson, C.	McCollar	Sarna	
Dahl	Johnson, D.	McEachern	Schumacher	

The motion did not prevail and the amendment was not adopted.

Tomlinson moved to amend the Jacobs amendment to H. F. No. 2281, as amended, as follows:

Page 2, line 20 after "conditions" insert "including adequate compensation to the commission for the resulting reduction in revenue from tickets and concessions".

A roll call was requested and properly seconded.

The question was taken on the adoption of the Tomlinson amendment to the Jacobs amendment and the roll being called, there were yeas 82, and nays 32, as follows:

Those who voted in the affirmative were:

Adams, L.	Dieterich	Jopp	Moe	Skoglund
Adams, S.	Doty	Kahn	Nelsen	Smith
Anderson, G.	Eken	Kaley	Nelson	Stanton
Arlandson	Enebo	Kelly, R.	Novak	Tomlinson
Begich	Erickson	Kelly, W.	Patton	Ulland
Berg	Esau	Knickerbocker	Pehler	Vanasek
Berglin	Ewald	Knoll	Peterson	Vento
Biersdorf	Faricy	Kostohryz	Petrafeso	Wenstrom
Braun	Fjoslien	Kroening	Philbrook	Wenzel
Brinkman	Forsythe	Laidig	Samuelson	White
Byrne	Friedrich	Langseth	Savelkoul	Wigley
Carlson, A.	George	Lemke	Schreiber	Williamson
Carlson, L.	Graba	Lindstrom	Schulz	Zubay
Casserly	Hanson	Mann	Schumacher	Speaker Sabo
Clark	Heinitz	McCarron	Setzepfandt	
Dean	Jaros	McCauley	Sieben, H.	
DeGroat	Johnson, D.	McCollar	Sieloff	

Those who voted in the negative were:

Abeln	Eckstein	Kempe, R.	Niehaus	Simoneau
Albrecht	Hangerud	Ketola	Osthoff	Smogard
Anderson, I.	Hokanson	Kvam	Pleasant	Spanish
Beauchamp	Jacobs	Luther	Prahl	Wieser
Birnstihl	Jensen	McEachern	Sarna	
Clawson	Jude	Metzen	Sherwood	
Corbid	Kempe, A.	Neisen	Sieben, M.	

The motion prevailed and the amendment to the amendment was adopted.

Savelkoul moved to amend the Jacobs amendment to H. F. No. 2281, as amended, as follows:

Page 2, delete lines 5 and 6.

Page 10, delete "metropolitan area" and insert "state of Minnesota".

The motion prevailed and the amendment to the amendment was adopted.

Lindstrom moved to amend the Jacobs amendment, to H. F. No. 2281, as amended, as follows:

Page 2, line 28, after "to be" insert "pre-empted by Federal Law or".

The motion prevailed and the amendment to the amendment was adopted.

The question recurred on the adoption of the Jacobs amendment, as amended, and the roll being called, there were yeas 127, and nays 0, as follows:

Those who voted in the affirmative were:

Abeln	Dieterich	Kaley	Nelsen	Sieben, M.
Adams, L.	Doty	Kalis	Nelson	Sieloff
Adams, S.	Eckstein	Kelly, R.	Niehaus	Simoneau
Albrecht	Eken	Kelly, W.	Norton	Skoglund
Anderson, G.	Enebo	Kempe, A.	Novak	Smith
Anderson, I.	Esau	Kempe, R.	Osthoff	Smogard
Arlandson	Evans	Knickerbocker	Patton	Spanish
Beauchamp	Ewald	Knoll	Pehler	Stanton
Begich	Faricy	Kostohryz	Peterson	Swanson
Berg	Fjoslien	Kvam	Petrafeso	Tomlinson
Berglin	Forsythe	Laidig	Philbrook	Ulland
Biersdorf	Friedrich	Langseth	Pleasant	Vanasek
Birnstihl	Fudro	Lemke	Prahl	Vento
Braun	Fugina	Lindstrom	Reding	Volk
Brinkman	George	Luther	Rice	Voss
Byrne	Graba	Mangan	St. Onge	Wenstrom
Carlson, A.	Hanson	Mann	Samuelson	Wenzel
Carlson, L.	Heinitz	McCarron	Sarna	White
Carlson, R.	Hokanson	McCauley	Savelkoul	Wieser
Casserly	Jacobs	McCollar	Schreiber	Wigley
Clark	Jaros	McEachern	Schulz	Williamson
Clawson	Jensen	Menning	Schumacher	Zubay
Corbid	Johnson, D.	Metzen	Searle	Speaker Sabo
Dahl	Jopp	Moe	Setzepfandt	
Dean	Jude	Munger	Sherwood	
DeGroat	Kahn	Neisen	Sieben, H.	

The motion prevailed and the amendment, as amended, was adopted.

Stanton moved to amend H. F. No. 2281, as amended, as follows:

Page 6, line 10, after "Subd. 2." insert "Except as may be provided in accordance with subdivision 6,".

Page 9, after line 5, insert:

"Subd. 6. Notwithstanding the foregoing provisions for the establishment of regional arts task forces, in any or all of development regions 6E, 6W, or 8, the regional development commission may by resolution request that the Southwest Minnesota Arts and Humanities Council Incorporated perform all of the functions and duties of a regional arts task force within the development region or regions in lieu of establishment of a task

force for that region or regions. If a regional development commission or commissions shall so resolve, the council may perform all of the functions and duties of a regional arts task force within the development region or regions in lieu of establishment of a task force for that region or regions pursuant to Laws 1976, Chapter 3, Section 5, Subdivision 4; provided that nothing contained herein shall be construed to affect or impair authority of the council to accept or disburse other funds which may become available."

The motion prevailed and the amendment was adopted.

Anderson, G., moved to amend H. F. No. 2281.

POINT OF ORDER

Tomlinson raised a point of order pursuant to rule 3.9 that the Anderson, G., amendment was out of order. The Speaker ruled the point of order well taken and the amendment out of order.

McCauley; Reding; Adams, S.; and Sherwood moved to amend H. F. No. 2281, as amended, as follows:

Page 13, lines 5 and 6, delete *"three members appointed by the governor"* and insert *"five members, one appointed by the professional baseball organization which would be a major tenant of the facility, one appointed by the professional football organization which would be a major tenant of the facility and three appointed by the governor, one who shall be a person holding a season ticket to either the professional football or baseball organization who does not reside in the metropolitan area, one expert on business and finance who does not reside in the state and one expert in marketing who does not reside in the state"*.

The motion did not prevail and the amendment was not adopted.

McCauley, Reding, Sherwood and Adams, S., moved to amend H. F. No. 2281, as amended, as follows:

Page 13, line 6, after *"governor"* insert *"one who shall be a person holding a season ticket to either the professional football or baseball organization who does not reside in the metropolitan area, one expert on business and finance who does not reside in the state and one expert in marketing who does not reside in the state"*.

The motion did not prevail and the amendment was not adopted.

Hanson moved to amend H. F. No. 2281, as amended, as follows:

Page 13, delete lines 18 and 19 and insert: "*seven-county metropolitan area.*".

A roll call was requested and properly seconded.

The question was taken on the adoption of the amendment and the roll being called, there were yeas 57, and nays 66, as follows:

Those who voted in the affirmative were:

Albrecht	Doty	Kaley	Novak	Spanish
Anderson, G.	Evans	Kempe, A.	Osthoff	Vanasek
Anderson, I.	Ewald	Kempe, R.	Peterson	Volk
Beauchamp	Fjoslien	Ketola	Philbrook	Voss
Begich	Friedrich	Knickerbocker	Prahl	Wenstrom
Biersdorf	George	Kostohryz	Samuelson	White
Birnstihl	Hanson	Luther	Schulz	Wieser
Braun	Heinitz	McCarron	Schumacher	Wigley
Carlson, L.	Jacobs	McCauley	Sherwood	Zubay
Carlson, R.	Jensen	McCollar	Sieloff	
Clawson	Jopp	Metzen	Simoneau	
DeGroat	Jude	Neisen	Smogard	

Those who voted in the negative were:

Abeln	Eckstein	Kalis	Nelson	Sieben, M.
Adams, L.	Eken	Kelly, R.	Niehau	Skoglund
Adams, S.	Enebo	Kelly, W.	Norton	Smith
Arlandson	Erickson	Knoll	Pehler	Stanton
Berg	Esau	Kroening	Petrafeso	Tomlinson
Berglin	Forsythe	Kvam	Pleasant	Ulland
Brinkman	Fudro	Laidig	Reding	Vento
Byrne	Fugina	Langseth	Rice	Wenzel
Carlson, A.	Graba	Lemke	Sarna	Williamson
Casserly	Hokanson	Lindstrom	Savelkoul	Speaker Saho
Clark	Jaros	Mangan	Schreiber	
Dahl	Johnson, C.	Mann	Searle	
Dean	Johnson, D.	Munger	Setzepfandt	
Dieterich	Kahn	Nelsen	Sieben, H.	

The motion did not prevail and the amendment was not adopted.

Mann moved to amend H. F. No. 2281, as amended, as follows:

Page 13, line 17, after "*located*" strike "*within the*" and insert "*in the city of Heron Lake. All highways leading thereto, including highways to the South Dakota border, highways to the Iowa border, and the highways leading to the Twin Cities, including Highway 60 to Madelia, shall be upgraded.*".

Page 13, strike lines 18 and 19.

Eckstein moved to amend the Mann amendment to H. F. No. 2281, as amended, as follows:

Line 2, delete "*Heron Lake*" and insert "*New Ulm*".

A roll call was requested and properly seconded.

The question was taken on the adoption of the Eckstein amendment to the Mann amendment and the roll being called, there were yeas 58, and nays 45, as follows:

Those who voted in the affirmative were:

Adams, L.	Fjoslien	Knoll	Nelson	Simoneau
Beauchamp	Friedrich	Kostohryz	Niehaus	Smith
Birnstihl	Graba	Laidig	Norton	Spanish
Braun	Hanson	Langseth	Novak	Tomlinson
Brinkman	Heinitz	Lemke	Patton	Vanasek
Byrne	Jensen	Lindstrom	Peterson	Wenstrom
Carlson, R.	Johnson, C.	McCollar	Philbrook	Wenzel
Clawson	Johnson, D.	McEachern	St. Onge	Wieser
Dean	Jopp	Metzen	Samuelson	Wigley
DeGroat	Jude	Moe	Schreiber	Speaker Sabo
Doty	Kaley	Neisen	Searle	
Eckstein	Knickerbocker	Nelsen	Setzepfandt	

Those who voted in the negative were:

Arlandson	Corbid	Fugina	Mann	Sieben, M.
Begich	Dieterich	Hokanson	McCarron	Sieloff
Berg	Eken	Jaros	Osthoff	Skoglund
Berglin	Erickson	Kahn	Pehler	Smogard
Biersdorf	Esau	Kelly, W.	Prahl	Stanton
Carlson, A.	Evans	Kempe, A.	Sarna	Ulland
Carlson, L.	Ewald	Ketola	Schulz	Vento
Cassery	Forsythe	Luther	Schumacher	Volk
Clark	Fudro	Mangan	Sieben, H.	White

The motion prevailed and the amendment to the amendment was adopted.

The question recurred on the Mann amendment as amended.

Mann withdrew his amendment as amended.

Schreiber moved to amend H. F. No. 2281, as amended, as follows:

Page 16, line 20, before the period insert “; (vi) the needs of the university of Minnesota for athletic facilities for a prospective 20 year period”.

A roll call was requested and properly seconded.

Williamson moved to amend the Schreiber amendment to H. F. No. 2281, as amended, as follows:

Line 3, after “prospective” delete “20” and insert “10”.

The motion did not prevail and the amendment to the amendment was not adopted.

Williamson moved to amend the Schreiber amendment to H. F. No. 2281, as amended, as follows:

After "period" and "including the consideration as stated in the University of Minnesota long range development plan document entitled "Planning Framework" dated January, 1976".

The motion did not prevail and the amendment to the amendment was not adopted.

The question recurred on the adoption of the Schreiber amendment and the roll being called, there were yeas 70, and nays 56, as follows:

Those who voted in the affirmative were:

Adams, L.	Dean	Kalis	Nelson	Sieben, H.
Anderson, G.	Dieterich	Kelly, R.	Norton	Sieloff
Anderson, I.	Doty	Kelly, W.	Osthoff	Simoneau
Arlandson	Eckstein	Ketola	Patton	Skoglund
Beauchamp	Enebo	Knoll	Pehler	Smith
Berg	Erickson	Kostohryz	Petraleso	Spanish
Berglin	Esau	Kroening	Prahl	Stanton
Byrne	Fudro	Laidig	Rice	Tomlinson
Carlson, A.	George	Lemke	Samuelson	Ulland
Carlson, L.	Hanson	Lindstrom	Sarna	Vanasek
Carlson, R.	Jacobs	Luther	Savelkoul	Voss
Casserly	Johnson, D.	Mann	Schreiber	Wenstrom
Clark	Jude	Menning	Searle	Wenzel
Corbid	Kahn	Munger	Setzepfandt	Speaker Sabo

Those who voted in the negative were:

Abeln	Evans	Jopp	Nelsen	Smogard
Adams, S.	Ewald	Kaley	Niehaus	Swanson
Albrecht	Fjoslien	Kempe, A.	Novak	Volk
Begich	Forsythe	Kempe, R.	Peterson	White
Biersdorf	Friedrich	Knickerbocker	Philbrook	Wieser
Birnstihl	Fugina	Kvam	Pleasant	Wigley
Braun	Graba	Langseth	Reding	Williamson
Brinkman	Heinitz	McCarron	St. Onge	Zubay
Clawson	Hokanson	McCauley	Schulz	
Dahl	Jaros	McCollar	Schumacher	
DeGroat	Jensen	McEachern	Sherwood	
Eken	Johnson, C.	Metzen	Sieben, M.	

The motion prevailed and the amendment was adopted.

Luther moved to amend H. F. No. 2281, as amended, as follows:

Page 21, line 20, after the period insert "The commission shall, with the advice of the state designers selection board, establish the procedures which shall be used for the selection of the persons, firms or corporations to perform the functions of architect, engineer, construction manager and contractor. Such procedures shall include a public hearing on proposals and shall be approved by the council."

The motion prevailed and the amendment was adopted.

Schreiber moved to amend H. F. No. 2281, as amended, as follows:

Page 34, line 1, before "sales" insert "retail on-".

Page 34, line 3, after "area" insert "*and on all retail on-sales of intoxicating liquor and fermented malt beverages at municipal liquor stores within the metropolitan area*".

The motion prevailed and the amendment was adopted.

Kelly, R., moved to amend H. F. No. 2281, as amended, as follows:

Page 35, line 17, before the period add "*except that the commission shall not enter into any contract that permits the other contracting party to reduce the revenues derived by the commission from the sale of tickets*".

The motion prevailed and the amendment was adopted.

Hanson moved to amend H. F. No. 2281, as amended, as follows:

Subdivision 4, page 2 of the language in the third Tomlinson amendment on line 22, strike "*or of the tax authorized*".

Line 23, strike "in section 21, subdivision 2".

Page 32, line 12, reinsert "*in the following budget year*" deleted by the Tomlinson amendment.

Further, delete all of subd. 2 [ON SALE LIQUOR TAX.] starting on page 33, line 20, of the bill as amended by the third Tomlinson amendment and as amended by the second Schreiber amendment.

A roll call was requested and properly seconded.

The question was taken on the adoption of the amendment and the roll being called, there were yeas 56, and nays 65, as follows:

Those who voted in the affirmative were:

Abeln	Clawson	Ewald	Haugerud	Jude
Biersdorf	Dahl	Faricy	Hokanson	Kaley
Birnstihl	DeGroat	Fjoslien	Jacobs	Kelly, R.
Braun	Dieterich	Friedrich	Jaros	Kempe, A.
Brinkman	Eckstein	George	Jensen	Kempe, R.
Byrne	Evans	Hanson	Jopp	Knickerbocker

Kostohryz	Metzen	Peterson	Searle	Wieser
Kvam	Neisen	Philbrook	Sieloff	Wigley
Lemke	Nelsen	Pleasant	Simoneau	
Mangan	Niehais	Prähl	Volk	
McCarron	Novak	Samuelson	Voss	
McCauley	Osthoff	Sarna	Wenzel	

Those who voted in the negative were:

Adams, L.	Corbid	Ketola	Norton	Sieben, M.
Anderson, G.	Dean	Knoll	Patton	Skoglund
Anderson, I.	Doty	Kroening	Pehler	Smith
Arlandson	Eken	Laidig	Petraleso	Smogard
Beauchamp	Enebo	Langseth	Reding	Spanish
Begich	Erickson	Lindstrom	Rice	Stanton
Berg	Forsythe	Luther	St. Onge	Tomlinson
Berglin	Fugina	Mann	Savelkoul	Ulland
Carlson, A.	Graba	McCollar	Schreiber	Vanasek
Carlson, L.	Johnson, C.	McEachern	Schulz	Vento
Carlson, R.	Johnson, D.	Menning	Schumacher	Wenstrom
Casserly	Kahn	Moe	Setzepfandt	White
Clark	Kelly, W.	Nelson	Sieben, H.	Speaker Sabo

The motion did not prevail and the amendment was not adopted.

Biersdorf moved to amend H. F. No. 2281, as amended, as follows:

Page 13, line 5, after "*members*" insert "*at least one of whom resides anywhere inside the state but outside the metropolitan area*".

The motion prevailed and the amendment was adopted.

McCauley, Voss and Kempe, A., moved to amend H. F. No. 2281, as amended, as follows:

Page 29, before line 28, insert "*after the approval of the electors in the metropolitan area has been obtained in an election on the question,*".

A roll call was requested and properly seconded.

The question was taken on the adoption of the amendment and the roll being called, there were yeas 57, and nays 68, as follows:

Those who voted in the affirmative were:

Abeln	DeGroat	Fjoslien	Jopp	Kostohryz
Albrecht	Eckstein	Friedrich	Kaley	Kvam
Biersdorf	Erickson	Hanson	Kalis	Lemke
Birnstihl	Esau	Heinitz	Kelly, R.	Luther
Byrne	Evans	Hokanson	Kempe, A.	Mangan
Carlson, L.	Ewald	Jacobs	Kempe, R.	McCarron
Clark	Faricy	Jensen	Knickerbocker	McCauley

McCollar	Osthoff	Sherwood	Voss	Wigley
Neisen	Peterson	Sieloff	Wenstrom	Zubay
Nelsen	Philbrook	Simoneau	Wenzel	
Niehaus	Pleasant	Spanish	White	
Novak	Searle	Volk	Wieser	

Those who voted in the negative were:

Adams, L.	Corbid	Kahn	Nelson	Setzepfandt
Adams, S.	Dahl	Kelly, W.	Norton	Sieben, H.
Anderson, G.	Dean	Ketola	Parish	Sieben, M.
Anderson, I.	Dieterich	Knoll	Patton	Skoglund
Arlandson	Doty	Kroening	Pehler	Smith
Beauchamp	Eken	Laidig	Petrafeso	Smogard
Begich	Enebo	Langseth	Prahl	Stanton
Berg	Forsythe	Lindstrom	Rice	Tomlinson
Berglin	Fudro	Mann	St. Onge	Ulland
Braun	Graba	McEachern	Sarna	Vanasek
Brinkman	Jaros	Menning	Savelkoul	Williamson
Carlson, A.	Johnson, C.	Metzen	Schreiber	Speaker Sabo
Carlson, R.	Johnson, D.	Moe	Schulz	
Cassery	Jude	Munger	Schumacher	

The motion did not prevail and the amendment was not adopted.

Pleasant moved to amend H. F. No. 2281, as amended by the Schreiber amendment to page 16, line 20, as follows:

After the word "period" insert "shall be provided at both sites".

The motion prevailed and the amendment was adopted.

Adams, L., Luther and Carlson, L., moved to amend H. F. No. 2281, as amended, as follows:

Page 29, after line 7, insert:

"Subd. 7. Agreements shall be executed by the professional baseball and football organizations to offer at least seven percent of all admission tickets for each game played in the facility to the general public on a first come first served basis. The tickets shall be offered individually and shall not be sold so as to constitute a season ticket. The tickets offered under this subdivision shall be for seats chosen by lot which are located throughout the stadium in every price range of tickets, and shall include a proportional number in all price ranges."

Setzepfandt moved to amend the Adams, L., amendment to H. F. No. 2281, as amended, as follows:

Strike the last sentence.

The motion prevailed and the amendment to the amendment was adopted.

The question recurred on the adoption of the Adams, L., Luther and Carlson, L., amendment as amended. The motion prevailed and the amendment as amended was adopted.

Dahl and Jude moved to amend H. F. No. 2281, as amended, as follows:

Page 34, line 19, after "*Scott county*" insert "*and also shall not include those portions of the city of Hanover and the city of Rockford that are located in Hennepin County*".

The motion prevailed and the amendment was adopted.

Hanson moved to amend H. F. No. 2281, as amended, as follows:

Page 34, line 18, delete "*not include that portion of the*".

Page 34, line 19, delete "*city of New Prague that is located in Scott county and also shall not include those portions of the city of Hanover and the city of Rockford that are located in Hennepin county*" and insert "*only apply to the county in which the stadium is located*".

A roll call was requested and properly seconded.

The question was taken on the adoption of the amendment and the roll being called, there were yeas 40, and nays 78, as follows:

Those who voted in the affirmative were:

Birnstihl	Fjoslien	Kaley	Moe	Sherwood
Braun	Friedrich	Kelly, R.	Neisen	Sieloff
Byrne	Fugina	Kempe, A.	Nelsen	Simoneau
DeGroat	George	Kempe, R.	Novak	Spanish
Dieterich	Hanson	Kostohryz	Osthoff	Vanasek
Eckstein	Heinitz	Lemke	Peterson	Volk
Evans	Jensen	Mangan	Philbrook	Wieser
Faricy	Jopp	Metzen	Prahl	Wigley

Those who voted in the negative were:

Abeln	Carlson, R.	Graba	Kroening	Parish
Adams, L.	Casserly	Hokanson	Kvam	Pehler
Adams, S.	Clark	Jacobs	Laidig	Petrafeso
Anderson, G.	Clawson	Jaros	Langseth	Pleasant
Anderson, I.	Corbid	Johnson, C.	Lindstrom	Reding
Arlandson	Dahl	Johnson, D.	Luther	Rice
Beauchamp	Dean	Jude	Mann	Sarna
Begich	Doty	Kahn	McCollar	Savelkoul
Berg	Eken	Kalis	Menning	Schreiber
Berglin	Enebo	Kelly, W.	Munger	Schulz
Brinkman	Ewald	Ketola	Nelson	Schumacher
Carlson, A.	Forsythe	Knickerbocker	Niehaus	Setzepfandt
Carlson, L.	Fudro	Knoll	Norton	Sieben, H.

Sieben, M.	Smogard	Tomlinson	Wenzel	Speaker Sabo
Skoglund	Stanton	Ulland	White	
Smith	Swanson	Wenstrom	Williamson	

The motion did not prevail and the amendment was not adopted.

Hanson moved to amend H. F. No. 2281, as amended by the Tomlinson amendment, as follows:

Page 33, delete all of the language in Subd. 2., and insert the following:

"Subd. 2. [ADDITIONAL TAX.] If in any year the commission experiences a cash deficit or the council estimates that the tax and other revenues to be received in the current or following year will not be sufficient to avoid a cash deficit, the council shall increase the rate of the tax described in Subdivision 1 to such percent as it estimates will be sufficient to remove any present and prevent any future deficit. It may reduce the rate at any time after twelve months of operation without a deficit, to such rate as it estimates will be adequate to prevent the recurrence of a deficit. Nothing herein shall affect the computation of a deficit requiring contributions from professional sports organizations under section 19, subdivision 3."

The motion did not prevail and the amendment was not adopted.

Anderson, I., moved to amend H. F. No. 2281, as amended, as follows:

Page 7, line 13, after "area" insert *"Such guidelines or criteria shall ensure an equitable distribution of benefits to smaller cities and towns and rural areas but shall not be based upon population"*.

Page 7, line 13, delete *"and shall ensure an"*.

Page 7, delete all of line 14.

Page 7, line 15, delete *"towns and rural areas"*.

The motion prevailed and the amendment was adopted.

CALL OF THE HOUSE

On the motion of Tomlinson and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

Abeln	Adams, L.	Adams, S.	Albrecht	Anderson, G.
-------	-----------	-----------	----------	--------------

Anderson, I.	Enebo	Kaley	Nelson	Sieben, M.
Arlandson	Erickson	Kalis	Niehaus	Sieloff
Begich	Esau	Kelly, R.	Norton	Simoneau
Berg	Evans	Kelly, W.	Novak	Skoglund
Berglin	Ewald	Kempe, A.	Osthoff	Smith
Biersdorf	Faricy	Kempe, R.	Parish	Smogard
Birnsthil	Fjoslien	Ketola	Patton	Spanish
Braun	Forsythe	Knickerbocker	Pehler	Stanton
Brinkman	Friedrich	Knoll	Peterson	Swanson
Byrne	Fudro	Kostohryz	Philbrook	Tomlinson
Carlson, A.	Fugina	Kroening	Pleasant	Ulland
Carlson, L.	George	Kvam	Prahl	Vanasek
Carlson, R.	Graba	Laidig	Reding	Vento
Casserly	Hanson	Langseth	St. Onge	Volk
Clark	Heinitz	Lemke	Samuelson	Voss
Clawson	Hokanson	Lindstrom	Sarna	Wenstrom
Corbid	Jacobs	Luther	Savelkoul	Wenzel
Dahl	Jaros	Mangan	Schreiber	White
Dean	Jensen	Mann	Schulz	Wieser
DeGroat	Johnson, C.	McCollar	Schumacher	Williamson
Dieterich	Johnson, D.	Metzen	Searle	Zubay
Doty	Jopp	Munger	Setzepfandt	Speaker Sabo
Eckstein	Jude	Neisen	Sherwood	
Eken	Kahn	Nelsen	Sieben, H.	

Tomlinson moved that further proceedings of the roll call be dispensed with and that the Sergeant at Arms be instructed to bring in the absentees. The motion prevailed and it was so ordered.

H. F. No. 2281, A bill for an act relating to cultural and recreational activities; prescribing powers and duties of the state board of arts; establishing a local arts development program and a program of general operating support for major arts institutions; requiring a certificate of need for construction of certain new public regional sports and auditorium facilities; creating an arbitration panel and prescribing its powers and duties; creating the metropolitan sports facilities commission and prescribing its powers and duties; authorizing the metropolitan council to issue bonds and levy taxes; providing for the construction and operation of a sports facility; authorizing a tax on certain sales of intoxicating liquor and fermented malt beverages in the metropolitan area; providing for admissions tax at certain facilities; requiring the completion of an environmental impact statement prior to construction of a sports facility; providing for a tax levy; appropriating money; amending Minnesota Statutes 1974, Chapters 139 and 473, by adding sections; Minnesota Statutes, 1975 Supplement, Sections 139.08, Subdivision 5; 139.10, Subdivisions 1 and 2 and by adding a subdivision; repealing Minnesota Statutes 1974, Section 340.11, Subdivision 11a.

The bill was read for the third time, as amended, and placed upon its final passage.

The question being taken on the passage of the bill and the roll being called, there were yeas 69, and nays 62, as follows:

Those who voted in the affirmative were:

Adams, L.	Dahl	Kelly, W.	Munger	Sieben, H.
Adams, S.	Dean	Ketola	Nelson	Sieben, M.
Anderson, G.	Doty	Knoll	Norton	Simoneau
Anderson, I.	Eken	Kroening	Patton	Skoglund
Arlandson	Enebo	Laidig	Pehler	Smogard
Beauchamp	Fudro	Langseth	Petrafeso	Stanton
Begich	Fugina	Lindstrom	Reding	Swanson
Berg	George	Mangan	Rice	Tomlinson
Berglin	Graba	Mann	Samuelson	Ulland
Carlson, A.	Jacobs	McCarron	Sarna	Vanasek
Carlson, L.	Jaros	McCauley	Savelkoul	Wenzel
Carlson, R.	Johnson, C.	McCollar	Schreiber	Williamson
Casserly	Johnson, D.	Menning	Schulz	Speaker Sabo
Corbid	Kahn	Metzen	Schumacher	

Those who voted in the negative were:

Abeln	Esau	Kaley	Nelsen	Sieloff
Albrecht	Evans	Kalis	Niehaus	Smith
Biersdorf	Ewald	Kelly, R.	Novak	Spanish
Birnstihl	Faricy	Kempe, A.	Osthoff	Vento
Braun	Fjoslien	Kempe, R.	Parish	Volk
Brinkman	Forsythe	Knickerbocker	Peterson	Voss
Byrne	Friedrich	Kostohryz	Philbrook	Wenstrom
Clark	Hanson	Kvam	Pleasant	White
Clawson	Heinitz	Lemke	Prahl	Wieser
DeGroat	Hokanson	Luther	St. Onge	Zubay
Dieterich	Jensen	McEachern	Searle	
Eckstein	Jopp	Moe	Setzepfandt	
Erickson	Jude	Neisen	Sherwood	

The bill was passed, as amended, and its title agreed to.

There being no objection the order of business reverted to Messages From the Senate.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned:

H. F. No. 2175, A bill for an act relating to taxation; altering calculation of levy limit base adjustments; amending Minnesota Statutes, 1975 Supplement, Section 275.52, Subdivision 4.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee, consist-

ing of 3 members of the Senate, on the amendments adopted by the Senate to the following House File:

H. F. No. 2492, A bill for an act relating to environmental protection; limiting the sale and use of organic compounds known as polychlorinated biphenyls; permitting exemptions; requiring labels; defining terms; providing penalties.

The Senate has appointed as such committee Messrs. Conzemius, Ashbach and Borden.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the adoption by the Senate of the following House Concurrent Resolution, herewith returned:

House Concurrent Resolution No. 24

A Concurrent Resolution relating to the delivery of bills to the governor after final adjournment.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

H. F. No. 1827, A bill for an act relating to health care; requiring certain insurance policies, health care plans and group subscriber contracts to provide certain benefits for out-patient treatment of alcoholism, chemical dependency or drug addiction; amending Minnesota Statutes 1974, Section 62A.149.

The Senate has repassed said bill, in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

H. F. No. 1330, A bill for an act relating to labor; directing the commissioner of labor and industry to enforce the prohibition against administering polygraph tests to employees; prescribing penalties; amending Minnesota Statutes 1974, Section 181.75; repealing Minnesota Statutes 1974, Section 181.77.

The Senate has repassed said bill, in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee, consisting of 3 members of the Senate, on the amendments adopted by the Senate to the following House File:

H. F. No. 354, A bill for an act relating to public welfare; providing for the licensing of facilities and services for the handicapped and children; prescribing penalties; amending Minnesota Statutes 1974, Section 252.28; repealing Minnesota Statutes 1974, Sections 245.78; 245.79; 245.80; 245.81; 245.82; 257.081; 257.082; 257.091; 257.101; 257.102; 257.111; 257.123; and 257.124.

The Senate has appointed as such committee Messrs. North and Milton and Mrs. Brataas.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 2657, A bill for an act relating to natural resources; increasing certain permit and license fees; authorizing the issuance of Minnesota sportsman licenses; appropriating money; amending Minnesota Statutes 1974, Sections 85.05, Subdivision 2; 98.46, Subdivisions 2, 4, 7, 8, 9, 14, 15, 16, 17, as amended, 19, and by adding a subdivision; 101.44; and Chapter 105, by adding a section; and Minnesota Statutes, 1975 Supplement, Section 98.46, Subdivision 5.

PATRICK E. FLAHAVEN, Secretary of the Senate

Kahn moved that the House refuse to concur in the Senate amendments to H. F. No. 2657, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two Houses. The motion prevailed.

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 1940, A bill for an act relating to the legislature; establishing a council on the economic status of women; appropriating money; repealing Minnesota Statutes 1974, Section 363.04, Subdivisions 7 and 8.

PATRICK E. FLAHAVEN, Secretary of the Senate

Enebo moved that the House refuse to concur in the Senate amendments to H. F. No. 1940, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two Houses. The motion prevailed.

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 2019, A bill for an act relating to controlled substances; scheduling certain substances; amending Minnesota Statutes 1974, Section 152.02, Subdivisions 2, 3, 4, 5, and by adding a subdivision.

PATRICK E. FLAHAVEN, Secretary of the Senate

Clawson moved that the House refuse to concur in the Senate amendments to H. F. No. 2019, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two Houses. The motion prevailed.

Mr. Speaker:

I hereby announce that the Senate refuses to concur in the House amendments to:

S. F. No. 175, A bill for an act relating to corrections; increasing the scope of the jurisdiction and power of the ombudsman; preserving the rights of complainants; providing a penalty for persons hindering the ombudsman; removing an expiration date; appropriating money; amending Minnesota Statutes 1974, Sections 241.42, Subdivision 2; 241.44, Subdivisions 1 and 3, and by adding a subdivision; and Chapter 241, by adding a section; repealing Minnesota Statutes 1974, Section 241.42, Subdivision 4; and Laws 1973, Chapter 553, Section 7.

And the Senate respectfully requests that a Conference Committee of 3 members be appointed thereon. Messrs. Conzemius, Renneke and Lewis have been appointed as such committee on the part of the Senate.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

PATRICK E. FLAHAVEN, Secretary of the Senate

Clark moved that the House accede to the request of the Senate for the appointment of a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two Houses on S. F. No. 175. The motion prevailed.

Mr. Speaker:

I hereby announce that the Senate refuses to concur in the House amendments to:

S. F. No. 320, A bill for an act relating to taxation; increasing the percentage of unrefunded gasoline excise taxes attributable to snowmobile operation; appropriating money; amending Minnesota Statutes 1974, Sections 296.16, Subdivision 1; and 296.421, Subdivisions 6 and 7.

And the Senate respectfully requests that a Conference Committee of 3 members be appointed thereon. Messrs. Olhoft, Willet and Fitzsimons have been appointed as such committee on the part of the Senate.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

PATRICK E. FLAHAVEN, Secretary of the Senate

Prahl moved that the House accede to the request of the Senate for the appointment of a Conference Committee of 3 members

of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two Houses on S. F. No. 320. The motion prevailed.

Mr. Speaker:

I hereby announce that the Senate refuses to concur in the House amendments to:

S. F. No. 1959, A bill for an act relating to health facilities; establishing an office of health facility ombudsman; appropriating money.

And the Senate respectfully requests that a Conference Committee of 3 members be appointed thereon. Messrs. Keefe, S. and Milton and Mrs. Brataas have been appointed as such committee on the part of the Senate.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

PATRICK E. FLAHAVEN, Secretary of the Senate

Volk moved that the House accede to the request of the Senate for the appointment of a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two Houses on S. F. No. 1959. The motion prevailed.

Mr. Speaker:

I hereby announce that the Senate refuses to concur in the House amendments to:

S. F. No. 2032, A bill for an act relating to public welfare; establishing pilot programs for community mental health treatment; appropriating money; amending Minnesota Statutes 1974, Chapter 245, by adding a section.

And the Senate respectfully requests that a Conference Committee of 3 members be appointed thereon. Messrs. Moe, Knutson and Hughes have been appointed as such committee on the part of the Senate.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

PATRICK E. FLAHAVEN, Secretary of the Senate

Hanson moved that the House accede to the request of the Senate for the appointment of a Conference Committee of 3

members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two Houses on S. F. No. 2032. The motion prevailed.

Mr. Speaker:

I hereby announce the adoption by the Senate of the following Senate Concurrent Resolution, herewith transmitted:

Senate Concurrent Resolution No. 13.

A Concurrent Resolution designating June 26, 1976 as Freedom Fest '76, a celebration of freedom from alcohol and drug dependency.

PATRICK E. FLAHAVEN, Secretary of the Senate

Senate Concurrent Resolution No. 13 was referred to the Committee on Rules and Legislative Administration.

ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to the Conference Committee on S. F. No. 320:

Prahl, Eken and McCauley.

The Speaker announced the appointment of the following members of the House to the Conference Committee on H. F. No. 2019:

Clawson, Forsythe and Berglin.

The Speaker announced the appointment of the following members of the House to the Conference Committee on S. F. No. 175:

Clark, McCarron and Nelson.

The Speaker announced the appointment of the following members of the House to the Conference Committee on S. F. No. 1959:

Swanson, Berglin and Heinitz.

The Speaker announced the appointment of the following members of the House to the Conference Committee on S. F. No. 2032:

Hanson, Samuelson and McCarron.

The Speaker announced the appointment of the following members of the House to the Conference Committee on H. F. No. 1940:

Enebo, Kahn and Forsythe.

The Speaker announced the appointment of the following members of the House to the Conference Committee on H. F. No. 2657:

Kahn, Vento and Searle.

There being no objection, upon the motion of Faricy, General Orders will not be reprinted for Friday, April 2, 1976.

Anderson, I., moved that the remaining bills on Special Orders for today be continued on Special Orders for Friday, April 2, 1976, immediately following the Calendar. The motion prevailed.

ADJOURNMENT

Anderson, I., moved that when the House adjourns today it adjourn until 11:00 a.m., Friday, April 2, 1976. The motion prevailed.

Anderson, I., moved that the House adjourn. The motion prevailed and the Speaker declared the House adjourned until 11:00 a.m., Friday, April 2, 1976.

EDWARD A. BURDICK, Chief Clerk, House of Representatives