

STATE OF MINNESOTA

SEVENTIETH SESSION—1977

THIRTY-EIGHTH DAY

SAINT PAUL, MINNESOTA, THURSDAY, APRIL 21, 1977

The House of Representatives convened at 2:00 p.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	Cohen	Jaros	Moe	Searles
Adams	Corbid	Jensen	Munger	Sherwood
Albrecht	Cummiskey	Johnson	Murphy	Sieben, H.
Anderson, B.	Dahl	Jude	Neisen	Sieben, M.
Anderson, D.	Dean	Kahn	Nelsen, B.	Simoneau
Anderson, G.	Den Ouden	Kaley	Nelsen, M.	Skoglund
Anderson, I.	Eckstein	Kalis	Nelson	Smogard
Anderson, R.	Eken	Kelly, R.	Niehaus	Spanish
Arlandson	Ellingson	Kelly, W.	Norton	Stanton
Battaglia	Enebo	Kempe, A.	Novak	Stoa
Beauchamp	Erickson	Kempe, R.	Osthoff	Suss
Begich	Esau	King	Patton	Swanson
Berg	Evans	Knickerbocker	Pehler	Tomlinson
Berglin	Ewald	Kostohryz	Peterson	Vanasek
Berkelman	Faricy	Kroening	Petraieso	Voss
Biersdorf	Fjoslien	Kvam	Pleasant	Waldorf
Birnstihl	Forsythe	Laidig	Prahl	Welch
Brandl	Friedrich	Langseth	Reding	Wenstrom
Braun	Fudro	Lehto	Rice	Wenzel
Brinkman	Fugina	Lemke	Rose	White
Byrne	George	Mangan	St. Onge	Wieser
Carlson, A.	Gunter	Mann	Samuelson	Wigley
Carlson, D.	Hanson	McCarron	Sarna	Williamson
Carlson, L.	Haugerud	McCollar	Savelkoul	Wynia
Casserly	Heinitz	McDonald	Scheid	Zubay
Clark	Hokanson	McEachern	Schulz	Speaker Sabo
Clawson	Jacobs	Metzen	Searle	

A quorum was present.

The Chief Clerk proceeded to read the Journal of the preceding day. Esau moved that further reading of the Journal be dispensed with and that the Journal be approved as corrected by the Chief Clerk. The motion prevailed.

REPORTS OF CHIEF CLERK

Pursuant to Rules of the House, printed copies of H. F. Nos. 921, 1428, 1275, 644, 1095, 1113, 1114, 1322, 809, 1129, 1421, 679, 461, 651, 862, 938, 937, 916, 103, 981, 1208, 552, 585 and 800 and S. F. No. 99 have been placed in the members' files.

PETITIONS AND COMMUNICATIONS

The following communications were received:

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
ST. PAUL 55155

April 20, 1977

The Honorable Martin Sabo
Speaker of the House
State of Minnesota

Dear Speaker Sabo:

I have the honor to inform you that I received, approved, signed and deposited in the Office of the Secretary of State the following House Files:

H. F. No. 235, An act relating to agriculture; soybean research and promotion council; powers of the commissioner of agriculture and the council.

H. F. No. 262, An act relating to veterans; commissioner of veterans affairs; changing residency requirements for the commissioner.

H. F. No. 291, An act relating to education; school districts; joint powers; authorizing joint boards to acquire certain property for data processing.

H. F. No. 558, An act relating to snowmobiles; providing for operation on certain highways.

Sincerely,

RUDY PERPICH
Governor

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

April 21, 1977

The Honorable Martin O. Sabo
Speaker of the House of Representatives
The Honorable Edward J. Gearty
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1977 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 1977</i>	<i>Date Filed 1977</i>
22		26	April 20	April 21
401		27	April 20	April 21
	235	28	April 20	April 21
	262	29	April 20	April 21
	291	30	April 20	April 21
	558	31	April 20	April 21

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

REPORTS OF STANDING COMMITTEES

Mann from the Committee on Agriculture to which was referred:

H. F. No. 1386, A bill for an act relating to agriculture; clarifying certain terms; eliminating six months license provision; permitting license suspension; permitting waiver of the right to a hearing; clarifying weighing locations and weighing fees; amending Minnesota Statutes 1976, Sections 17A.03, Subdivisions 6 and 7; 17A.04, Subdivision 1, and by adding a subdivision; 17A.05, Subdivision 2; 17A.06, Subdivisions 2 and 3; 17A.10; and 17A.11.

Reported the same back with the following amendments :

Page 3, line 20, after the period insert "*The bond shall be limited to the protection of claimants whose residence or principal place of livestock business is in the state of Minnesota at the time of the transaction.*".

Page 3, lines 21 to 24, delete the new language.

Page 5, line 2, strike "alleged breach" and insert "*transaction*".

Page 6, line 20, strike "markets at which the".

Page 6, strike line 21.

Page 6, line 22, strike "250 or more; and" and insert "*facilities.*".

With the recommendation that when so amended the bill pass.

The report was adopted.

Mann from the Committee on Agriculture to which was referred:

H. F. No. 1443, A bill for an act relating to agriculture; food licensing; defining a custom processor and providing for a custom processing permit; amending Minnesota Statutes 1976, Sections 28A.03; 28A.04; and 28A.13.

Reported the same back with the following amendments :

Page 3, line 20, after "*who*" insert "*for a fee*".

Page 3, line 21, delete the comma and insert "*or*".

Page 3, line 22, delete "*, or game*".

Page 3, line 23, delete the comma and insert "*or*".

Page 3, line 23, delete "*or game*".

With the recommendation that when so amended the bill pass.

The report was adopted.

Norton from the Committee on Appropriations to which was referred:

S. F. No. 32, A bill for an act relating to shade tree disease control; authorizing grants for municipal shade tree removal and

reforestation programs; authorizing a shade tree disease control research program; appropriating money; amending Minnesota Statutes 1976, Sections 18.023, Subdivisions 1, 1a, 2, 3a, 4, 7, 8 and 11, and adding a subdivision; 116.07, Subdivision 4; and 275.50, by adding a subdivision; repealing Minnesota Statutes 1976, Section 18.023, Subdivision 6.

Reported the same back with the following amendments:

Strike everything after the enacting clause and insert the following:

"Section 1. Minnesota Statutes 1976, Section 18.023, Subdivision 1, is amended to read:

18.023 [SHADE TREE DISEASE CONTROL.] Subdivision 1. [DEFINITIONS.] As used in subdivisions 1 to 12 the terms defined in this subdivision shall have the meanings given them.

(a) "Metropolitan area" means the area comprising the counties of Hennepin, Ramsey, Anoka, Dakota, Washington, Scott and Carver.

(b) "Commissioner" means the commissioner of agriculture.

(c) "Municipality" means any *home rule charter or statutory* city or any town exercising municipal powers pursuant to section 368.01, or any general or special law, located in the metropolitan area; or any special park district as organized under chapter 398(.) ; or any special purpose park (DISTRICT) *and recreation board* organized under the city charter of a city of the first class located in the metropolitan area(.) ; or any county in the metropolitan area for the purposes of county owned property or any portion of a county located outside the geographic boundaries of a city or town exercising municipal powers; and any municipality or county located outside the metropolitan area (WHICH MAKES REQUEST TO AND HAS CONSENT OF THE COMMISSIONER TO COME WITHIN THE PROVISIONS OF THIS SECTION) *with an approved disease control program.*

(d) "Shade tree disease" means Dutch elm disease or oak wilt disease.

(e) "Wood utilization or disposal system" means (A SYSTEM) *facilities, equipment or systems* used for the removal and disposal of diseased shade trees which includes the collection, transportation, processing or storage of wood and which aids in the recovery of materials or energy from wood.

((F) "SUBSIDY PROGRAM" MEANS A MUNICIPAL PROGRAM OF FINANCIAL ASSISTANCE TO PRIVATE PROPERTY OWNERS FOR THE REMOVAL OF DISEASED ELM AND OR OAK SHADE TREES.)

((G)) (f) "Approved disease control program" means the municipal plan as approved by the commissioner to control shade tree disease.

((H)) (g) "Disease control area" means an area approved by the commissioner within which a municipality will conduct (A SHADE TREE) an approved disease control program.

(h) "Sanitation" means the identification, inspection, disruption of a common root system, girdling, trimming, removal and disposal of dead or diseased wood of elm or oak shade trees, including subsidies for trees removed pursuant to subdivision 4, on public or private property within a disease control area.

(i) "Reforestation" means the replacement of shade trees removed from public property as part of an approved disease control program. For purposes of this clause, "public property" shall include private property within five feet of the boulevard or street terrace in any city which has enacted an ordinance on or before January 1, 1977, that prohibits or requires a permit for the planting of trees in the public right of way.

Sec. 2. Minnesota Statutes 1976, Section 18.023, Subdivision 1a, is amended to read:

Subd. 1a. [METROPOLITAN SHADE TREE DISEASE CONTROL PROGRAM; PURPOSE.] The legislature finds that an epidemic of Dutch elm disease and oak wilt disease is occurring in Minnesota which threatens the natural environment. Immediate action is therefore necessary to provide funds to assist local units of government in the implementation of shade tree disease control programs by *conducting sanitation and reforestation programs*, expanding diseased wood destruction programs, increasing public awareness of shade tree disease, accelerating training of tree inspectors and research for disease prevention and subsidizing private property owners for the removal of diseased elm and oak trees.

Sec. 3. Minnesota Statutes 1976, Section 18.023, Subdivision 2, is amended to read:

Subd. 2. [COMMISSIONER TO ADOPT RULES.] The commissioner shall adopt and (FROM TIME TO TIME) may amend(,) rules (AND REGULATIONS) relating to shade tree disease control in (THE METROPOLITAN AREA IN ACCORDANCE WITH SECTIONS 15.0411 to 15.0422) *any municipality, as defined in subdivision 1.* (SUCH) The rules (AND REGULATIONS) shall prescribe control measures to be used to prevent the spread of shade tree diseases and shall include the following: (a) A definition of shade tree, (b) qualifications for tree inspectors, (c) methods of identifying diseased shade trees, (d) procedures for giving reasonable notice of inspection of private real

property, (e) measures for the (TREATMENT AND) removal of any shade tree which may contribute to the spread of shade tree disease, and for reforestation of disease control areas, (f) approved methods of treatment of shade trees, (g) criteria for priority designation areas in an approved disease control program, and (h) (SUCH) any other matters (AS SHALL BE) determined (TO BE) necessary by the commissioner to prevent the spread of shade tree disease and enforce the provisions of this section. (IN ACCORDANCE WITH THE RULES AND REGULATIONS ADOPTED BY THE COMMISSIONER AND) After reasonable notice of inspection (HAVING BEEN GIVEN TO THE) an owner of the real property (, DISEASED SHADE TREES SHALL BE REMOVED OR TREATED BY THE OWNER OF THE REAL PROPERTY) on which (SUCH) a diseased shade (TREES ARE) tree is located shall remove or treat the tree within (A) the period of time (AS MAY BE) and in the manner established by the commissioner. (IN THE CASE OF THE EXPENSE OF REMOVING OR TREATING DISEASED SHADE TREES LOCATED ON STREET TERRACES OR BOULEVARDS, NOT MORE THAN 50 PERCENT OF SUCH EXPENSE MAY BE ASSESSED TO THE ABUTTING PROPERTIES BY THE MUNICIPALITY WHICH EXPENSE SHALL BECOME A LIEN ON THE PROPERTY. TREES WHICH ARE NOT REMOVED OR TREATED SHALL BE DECLARED A PUBLIC NUISANCE AND REMOVED BY THE MUNICIPALITY WHICH MAY ASSESS THE TOTAL EXPENSE OR ANY PART THEREOF TO THE PROPERTY WHICH EXPENSE SHALL BECOME A LIEN ON THE PROPERTY.) *Diseased shade trees which are not removed or treated in compliance with the commissioner's rules shall be declared a public nuisance and removed or treated by approved methods by the municipality which may assess the total expense, which shall be limited to the lowest contract rates available, provided said rates include wage levels which meet Minnesota minimum wage standards, or any part thereof to the property and the expense shall become a lien on the property. A municipality may assess not more than 50 percent of the expense of treating with an approved method or removing diseased shade trees located on street terraces or boulevards to the abutting properties and the assessment shall become a lien on the property.*

Sec. 4. Minnesota Statutes 1976, Section 18.023, Subdivision 3a, is amended to read:

Subd. 3a. [GRANTS TO MUNICIPALITIES.] (a) The commissioner may, in the name of the state and within the limit of appropriations provided, make grants-in-aid to a municipality with an approved (SHADE TREE) disease control program for the partial funding of municipal (SUBSIDY PROGRAMS FOR THE REMOVAL OF DISEASED SHADE TREES BY OWNERS OF RESIDENTIAL PROPERTY PURSUANT TO SUBDIVISION 4) *sanitation and reforestation programs.* The commissioner may make grants-in-aid to any (CITY OF MORE THAN 80,000 POPULATION OR ANY SPECIAL PURPOSE

PARK DISTRICT ORGANIZED UNDER THE CHARTER OF A CITY OF THE FIRST CLASS OR ANY NON-PROFIT CORPORATION SERVING A CITY OF THE FIRST CLASS OR ANY COUNTY HAVING A DISEASE CONTROL PROGRAM APPROVED BY THE COMMISSIONER) *home rule charter or statutory city of more than 40,000 population or any special purpose park and recreation board organized under a charter of a city of the first class or any non-profit corporation serving a city of the first class or any county having an approved disease control program for the acquisition or implementation of a wood utilization or disposal (FACILITIES OR EQUIPMENT OR THE IMPLEMENTATION OF WOOD UTILIZATION OR DISPOSAL SYSTEMS) system.*

(b) The commissioner shall promulgate rules for the administration of grants authorized by this subdivision. The rules shall establish and contain as a minimum:

- (1) Procedures for grant applications;
- (2) Conditions and procedures for the administration of grants;
- (3) Criteria of eligibility for grants including, but not limited to, those specified in this subdivision; and
- (4) Such other matters as the commissioner may find necessary to the proper administration of the grant program.

(c) Grants-in-aid payments for wood utilization and disposal (FACILITIES, EQUIPMENT AND) systems (AND GRANTS FOR PUBLIC SUBSIDY PROGRAMS) made by the commissioner pursuant to this subdivision shall not exceed 50 percent of the total cost of the (FACILITY EQUIPMENT OR) system (OR MUNICIPAL SUBSIDY PROGRAM, OR BOTH). *Grants to any municipality for sanitation shall not exceed 45 percent of sanitation costs approved by the commissioner. The municipal share of sanitation costs may include in kind contributions at the option of the municipality. Grants to municipalities for reforestation shall not exceed the lesser of 50 percent of the cost or \$40 multiplied by the number of trees planted pursuant to the reforestation program and shall be limited to the planting of trees on public property; provided that notwithstanding any other limitation a reforestation grant to any home rule charter or statutory city or town of not more than 1,000 population according to the 1970 census may include up to 90 percent of the cost of the first 50 trees planted on public property as replacement trees. For the purposes of this subdivision, "cost" shall include any amount assessed as a special assessment, but shall not include the value of a gift or dedication of trees required by a municipal ordinance.*

(d) *Based upon estimates submitted by the municipality to the commissioner, which shall state the estimated costs of sani-*

tation and reforestation in the succeeding quarter under an approved program, the commissioner shall direct quarterly advance payments to be made by the state to the municipality commencing March 1, 1977. The commissioner shall direct adjustment of any overestimate in a succeeding quarter. A municipality may elect to receive the proceeds of its sanitation and reforestation grants on a periodic cost reimbursement basis.

((D)) (e) A (MUNICIPALITY) city, or county outside the metropolitan area or any municipality, as defined in subdivision 1, (WHICH HAS RECEIVED THE CONSENT OF THE COMMISSIONER TO COME WITHIN THE PROVISIONS OF LAWS 1975, CHAPTER 253 MAY RECEIVE GRANTS AUTHORIZED BY THIS SUBDIVISION, AND) may submit an application for a grant authorized by this subdivision concurrently with its request for (INCLUSION) approval of a disease control program.

Sec. 5. Minnesota Statutes 1976, Section 18.023, Subdivision 4, is amended to read:

Subd. 4. [SUBSIDIES TO PRIVATE PROPERTY OWNERS.] **((A)) A municipality may provide subsidies to owners of private residential property (OWNERS) and to nonprofit cemeteries, however organized, for the approved treatment or removal of diseased shade trees (PROVIDED, HOWEVER, THAT THE COST TO THE MUNICIPALITY FOR PROVIDING SUCH SUBSIDIES SHALL BE WITHIN THE LIMITATIONS SET FORTH IN SECTIONS 275.50 TO 275.56).**

((B)) Notwithstanding any law to the contrary, an owner of property on which shade trees are located may contract with a municipality to provide protection against the cost of approved treatment or removal of diseased shade trees or shade trees that will contribute to the spread of shade tree diseases. Under such contracts, the municipality shall pay for the removal or approved treatment under such terms and conditions as may be determined by the governing body of the municipality.

Sec. 6. Minnesota Statutes 1976, Section 18.023, Subdivision 7, is amended to read:

Subd. 7. [FINANCING.] **(a) A municipality may collect the amount assessed against the property under subdivision 2 as a special assessment and may issue obligations as provided in section 429.101, subdivision 1, provided that a municipality as its option make any assessment levied payable with interest in installments not to exceed five years from the date of the assessment.**

(b) After a contract for the (REMOVAL OR) sanitation or approved treatment of trees on private property has been let, or the work commenced, the municipality may issue obligations

to defray the expense of any such work financed by special assessments imposed upon private property. Section 429.091 shall apply to such obligations with the following modifications:

- (1) Such obligations shall be payable not more than five years from the date of issuance; and
- (2) No election shall be required.

Obligations issued under the provisions of this clause shall not be considered bonded indebtedness for the purposes of section 273.13, subdivisions 6 and 7. The certificates shall not be included in the net debt of the issuing municipality.

Sec. 7. Minnesota Statutes 1976, Section 18.023, Subdivision 8, is amended to read:

Subd. 8. [DEPOSIT OF PROCEEDS IN SEPARATE FUND.] The proceeds of any tax levied, assessments and interest collected, or any *bonds or certificates of indebtedness issued under (SUBDIVISIONS 6 AND) subdivision 7 and section 10 of this act, and any grants received under subdivision 3a,* shall be deposited in the municipal treasury in a separate fund and expended only for the purposes authorized by this section.

Sec. 8. Minnesota Statutes 1976, Section 18.023, is amended by adding a subdivision to read:

Subd. 10a. The commissioner may establish experimental programs for sanitation or treatment of shade tree diseases. The commissioner may make grants to municipalities, or enter into contracts with municipal, state or federal agencies in connection with experimental shade tree programs including research to assist municipalities in establishing priority designation areas in an approved disease control program.

Sec. 9. Minnesota Statutes 1976, Section 18.023, Subdivision 11, is amended to read:

Subd. 11. [REPORT TO THE LEGISLATURE.] On or before January 31 of each (SUCCEEDING) year, the commissioner shall report to the legislature on the preceding year's (PLANS AND) *approved disease control programs (WHICH HAVE BEEN IMPLEMENTED FOR SHADE TREE DISEASES IN THE METROPOLITAN AREA) and any experimental programs conducted pursuant to subdivision 10a.*

Sec. 10. Minnesota Statutes 1976, Section 275.50, is amended by adding a subdivision to read:

Subd. 6. The cost to a governmental unit of implementing section 18.023, including sanitation, as defined in section 18.023,

subdivision 1, clause (h), but not including reforestation as defined in section 18.023, subdivision 1, clause (i), is a special levy and is not subject to tax levy limitations including those contained in sections 275.50 to 275.56 and in Laws 1969, Chapter 593, as amended by Laws 1974, Chapter 108, commencing with the levy made in 1976, payable in 1977. A governmental subdivision may make a supplementary levy in 1977, payable in 1978, for all costs of implementing section 18.023 incurred in calendar year 1977 for which a levy was not made in 1976, payable in 1977. For the purpose of calculating the tax levy limit base under section 275.51, for levy year 1977, taxes payable in 1978, there shall be subtracted from the levy limit base of any governmental subdivision an amount equal to 112 percent of the amount levied under section 18.023 in levy year 1974, taxes payable 1975, and included in the levy limit base of the governmental subdivision as a result of Laws 1975, Chapter 437.

Sec. 11. Notwithstanding any other law to the contrary, the procedures and rules set forth in the order of the commissioner of agriculture dated and, filed with the secretary of state, by and given a document number by the secretary of state, shall be valid and enforceable rules of the commissioner of agriculture for purposes of Minnesota Statutes, Sections 15.0411 to 15.0422, without further act or deed of the commissioner, with respect to grants to municipalities for reforestation and sanitation during the period between the day following final enactment of this act and either September 1, 1977, or the effective date of the amended rules to be promulgated pursuant to section 3 of this act, whichever occurs first.

Sec. 12. The commissioner may employ and prescribe the duties of permanent or temporary employees in the unclassified service as may be necessary to administer the provisions of section 18.023, subject to appropriation.

Sec. 13. [APPROPRIATIONS.] Subdivision 1. There is appropriated from the general fund to the commissioner of agriculture the following amounts for the following purposes, for the period from January 1, 1977 to December 31, 1979. The sum of \$27,320,000 shall be available for expenditure from January 1, 1977 to December 31, 1979 and \$6,830,000 shall be available for expenditure from July 1, 1979 to December 31, 1979:

(a) For grants for sanitation programs pursuant to Minnesota Statutes, Section 18.023, Subdivision 3a, \$24,687,500

(b) For grants for reforestation programs pursuant to Minnesota Statutes, Section 18.023, Subdivision 3a, \$ 7,312,500

(c) For grants-in-aid for wood utilization and disposal systems pursuant to Minnesota Statutes, Section 18.023, Subdivision 3a,	\$ 700,000
(d) For public information,	\$ 250,000
(e) For experimental programs pursuant to Minnesota Statutes, Section 18.023, Subdivision 10a,	\$ 600,000
(f) For administration	\$ 300,000

Subd. 2. There is appropriated from the general fund to the university of Minnesota the following amounts for the following purposes, for the period from January 1, 1977, to June 30, 1979:

(a) For research by the agricultural experimental station, pursuant to Minnesota Statutes, Section 18.023, Subdivision 10,	\$ 120,000
(b) For continuing education and training by the agricultural extension service, pursuant to Minnesota Statutes, Section 18.023, Subdivision 10,	\$ 300,000

Subd. 3. The department of natural resources shall be responsible for the expenses of sanitation of diseased shade trees on lands which the commissioner administers within 1,000 feet of any municipality with an approved disease control program and within camp sites, picnic areas, waysides and parking areas.

Subd. 4. The appropriations in this section shall expire December 31, 1979, notwithstanding section 16A.28 or other law.

Sec. 14. [REPEALER.] Minnesota Statutes 1976, Section 18.023, Subdivision 6, is repealed.

Sec. 15. [EFFECTIVE DATE.] This act is effective January 1, 1977."

Further amend the title as follows:

Line 8, delete "116.07,".

Line 9, delete "Subdivision 4;".

With the recommendation that when so amended the bill pass.

The report was adopted.

Hanson from the Committee on Commerce and Economic Development to which was referred:

H. F. No. 721, A bill for an act relating to public utilities; allowing the public service commission to determine how rates should be spread among different classes of customers; amending Minnesota Statutes 1976, Chapters 216B and 237, by adding sections.

Reported the same back with the following amendments:

Page 1, line 23, after "service," insert "*the need to encourage energy conservation.*"

Page 2, line 11, delete "*absent a showing that it has no rational basis*" and insert "*unless shown to be in excess of statutory authority or resulting in unjust, unreasonable or discriminatory rates by clear and convincing evidence*".

Page 3, line 5, delete "*rational*" and insert "*reasonable*".

With the recommendation that when so amended the bill pass.

The report was adopted.

Hanson from the Committee on Commerce and Economic Development to which was referred:

H. F. No. 1015, A bill for an act relating to human rights; clarifying the scope of sex discrimination; providing for an appeal by the commissioner; providing for a civil action without filing with the department; amending Minnesota Statutes 1976, Sections 363.01, by adding a subdivision; 363.05, Subdivision 1; 363.072, Subdivision 1; and 363.14, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, line 14, after "(SEX.)", delete the remainder of the line.

Page 1, delete lines 15 to 19.

Page 1, line 20, delete "*inability to work*" and insert "*“Sex” includes, but is not limited to, pregnancy, childbirth, and disabilities related to pregnancy or childbirth. Women affected by pregnancy, childbirth, or disabilities related to pregnancy or childbirth shall be treated the same for all employment-related purposes, including receipt of benefits under fringe benefit programs, as other persons not so affected but similar in their ability or inability to work*".

Page 1, after line 20, add a new section to read:

"Sec. 2. Minnesota Statutes 1976, Section 363.02, Subdivision 1, is amended to read:

363.02 [EXEMPTIONS.] Subdivision 1. [Employment.]
The provisions of section 363.03, subdivision 1, shall not apply to:

- (1) The employment of any individual
 - (a) by his parent, grandparent, spouse, child, or grandchild,
or
 - (b) in the domestic service of any person.
- (2) A religious or fraternal corporation, association, or society, with respect to qualifications based on religion, when religion shall be a bona fide occupational qualification for employment.
- (3) The employment of one person in place of another, standing by itself, shall not be evidence of an unfair discriminatory practice.

It is not an unfair employment practice for an employer, employment agency or labor organization:

- (i) to require a person to undergo physical examination for purpose of determining the person's capability to perform available employment; (OR)
- (ii) to conduct an investigation as to the person's medical history for the purpose of determining the person's capability to perform available employment; or
- (iii) *to provide special safety considerations for pregnant women involved in tasks which are potentially hazardous to the health of the unborn child, as determined by medical criteria."*

Renumber the remaining sections in sequence.

Page 2, line 12, reinstate the stricken "serve the needs of Indians".

Page 2, line 14, before "*fulfill*" insert "*, assist women and*".

Page 4, lines 24 to 28 restore the stricken language.

Page 4, lines 28 and 29, delete "*for programs created pursuant to clause (2)*".

Page 5, line 1, delete "*, the respondent,*".

Page 5, line 12, after "*district*" insert "*, county or municipal*".

Page 5, line 15, delete "*his principle*" and insert "*a principal*".

Further amend the title as follows:

Page 1, line 7, after "subdivision;" insert "363.02, Subdivision 1;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Moe from the Committee on Criminal Justice to which was referred:

H. F. No. 287, A bill for an act relating to obscenity; prohibiting the showing of obscene motion pictures at drive-in theatres; providing for a hearing in the courts to determine if a motion picture is obscene; prescribing penalties.

Reported the same back with the following amendments:

Page 1, line 20, delete "or excretory" and ", as defined in this section".

Page 2, line 7, delete ", or".

Page 2, delete lines 8 to 28 and insert a period.

Page 2, after line 28, insert:

"Subd. 4. "Sexual conduct" means any of the following depicted sexual conduct:

(a) Sadoomasochistic abuse, meaning flagellation or torture by or upon a person who is nude, or clad in undergarments, a mask or bizarre costume, or the condition of being bound, fettered, or otherwise physically restrained on the part of one who is so clothed as an act of sexual stimulation or gratification;

(b) Human defecation or urination;

(c) The condition of human male or female genitals, or the breasts of the female when in a state of sexual stimulation, or the sensual experience of humans in engaging in or witnessing sexual conduct or nudity; or

(d) Human masturbation, sexual intercourse or sodomy, actual or simulated, or any touching of the genitals, pubic areas or buttocks of a human being, whether alone or between members of the same or opposite sex or between humans or animals in an act of apparent sexual stimulation or gratification."

Page 2, line 31, delete "if it reveals".

Page 2, delete line 32.

Page 3, delete lines 1 to 3.

Page 3, delete line 4 to the period.

With the recommendation that when so amended the bill pass.

The report was adopted.

Moe from the Committee on Criminal Justice to which was referred:

H. F. No. 343, A bill for an act relating to obscenity; prohibiting the dissemination of obscene photographs or other similar visual representations which depict minors involved in scenes of patently offensive sexual conduct; prescribing penalties; amending Minnesota Statutes 1976, Chapter 617, by adding a section.

Reported the same back with the following amendments:

Page 1, line 19, after "*picture*" insert "*, film*".

Page 1, line 21, after "*sex*" insert "*of the average person or pedophiles*".

Page 2, line 5, after "*interest*" insert "*in sex or that the work taken as a whole appeals to the prurient interest in sex of pedophiles*".

Page 2, line 21, after "*clothed*" insert "*as an act of sexual stimulation or gratification*".

Page 2, delete line 32.

Page 3, delete lines 1 to 5.

Page 3, line 9, after "*work*" insert "*or who knowingly owns or operates a store which disseminates an obscene work as defined herein*".

With the recommendation that when so amended the bill pass.

The report was adopted.

Moe from the Committee on Criminal Justice to which was referred:

H. F. No. 801, A bill for an act relating to crimes; specifying certain acts which constitute theft in relation to cable television services and systems; providing penalties; amending Minnesota Statutes 1976, Section 609.52, Subdivision 2.

Reported the same back with the following amendments:

Page 5, line 3, delete "(a)".

Page 5, line 11, delete "; or" and insert a period.

Page 5, after line 11, insert a section to read:

"Sec. 2. Minnesota Statutes 1976, Chapter 609, is amended by adding a section to read:

[609.80] [INTERFERING WITH CABLE COMMUNICATIONS SYSTEMS.] *Whoever does the following is guilty of a misdemeanor:"*.

Page 5, line 12, delete "(b)".

Page 5, line 15, delete "or advertises".

Page 5, line 16, after "equipment" delete the comma and insert "or" and delete "or plan,".

Page 5, line 17, delete "specification or instruction".

Page 5, line 18, delete "; or".

Page 5, delete lines 19 to 24 and insert a period.

Further amend the title:

Page 1, line 6, after "2" insert "; and Chapter 609, by adding a section".

With the recommendation that when so amended the bill pass.

The report was adopted.

Johnson from the Committee on Education to which was referred:

H. F. No. 550, A bill for an act relating to education; school districts; revising financing systems and accounting procedures for certain district funds; amending Minnesota Statutes 1976, Sections 121.902; 121.914, Subdivisions 1, 2, 3 and 4; 121.917, Subdivision 1; 123.335, Subdivision 2; 123.71, Subdivisions 1 and 2; 275.125, Subdivision 8; and 475.61, Subdivision 4.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“ARTICLE I

FOUNDATION AID PROGRAM

Section 1. Minnesota Statutes 1976, Section 124.11, is amended to read:

124.11 [DATES OF AID PAYMENTS.] Except as may be otherwise authorized by the commissioner to accommodate a flexible school year program, ten percent of the estimated elementary and secondary foundation aids shall be paid to districts *based upon information available* in (EACH OF) the months (FROM SEPTEMBER THROUGH MAY BASED UPON INFORMATION AVAILABLE AND) of *August, September, November, December, January, February, March, April and May.* The final distribution shall be made in *October* of the following (AUGUST) *school year.* Estimated post-secondary vocational foundation aid shall be paid to districts in 12 equal monthly payments beginning July 15, 1976. The estimated post-secondary vocational foundation aid shall be paid on the basis of the prior year's average daily membership except that the average daily membership and the payments based thereon may be adjusted in September, December, March and June to reflect any increases or decreases in enrollment. The September payment in each fiscal year shall be increased or decreased to reflect any deficit or excess in post-secondary vocational foundation aid received in the prior fiscal year. If any school district is unable to borrow necessary funds for the operation of its facilities during any fiscal year, due to legal borrowing restrictions or the lack of reasonable credit facilities, the commissioner of finance and state treasurer may, upon certification of such conditions by the commissioner of administration, advance such education aids as may be required to such district, with the condition that such aids be discounted by an amount equal to six percent or the current yield on U.S. treasury bills on the date of such payment to a maturity approximating the date on which aids are to be paid, whichever rate is higher, pursuant to the terms of this section. The amount of such discount shall be determined by the commissioner of finance, with the six percent discount or the "bid" price quoted on treasury bills of an appropriate maturity calculated after consultation with the staff of the state board of investment.

Estimated elementary and secondary foundation aids shall be paid out on the basis of the prior year's pupil unit enrollment unless the October 1 enrollment is larger, in which case the October enrollment shall be used. Adjustment for final elementary and secondary final pupil unit figures shall be made in the August payment of aids.

Sec. 2. Minnesota Statutes 1976, Section 124.14, Subdivision 1, is amended to read:

124.14 [DISTRIBUTION OF SCHOOL AIDS; APPROPRIATION.] Subdivision 1. The state board shall supervise distribution of the school aids in accordance with law. It may make rules and regulations consistent with law for such distribution which will enable districts to perform efficiently the services required by law and further education in the state, including reasonable requirements for such reports and accounts to it as will assure accurate and lawful apportionment of aids. It shall require that the *membership and pupil unit* count of a minimum of 25 school districts be audited each fiscal year. The audits shall be conducted at random throughout the state with no prior notice to any district. Disparities between *membership and pupil unit* counts reported by the school districts and those found by the auditors shall be reported to the commissioner who shall order an increase or reduction of foundation aids accordingly. A reduction of foundation aid under this section may be appealed to the state board of education and its decision shall be final. Public schools shall at all times be open to the inspection of the state board, and the accounts and records of any district are open to inspection by the state auditor, or the state board.

Sec. 3. Minnesota Statutes 1976, 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) *March* 1 of each year the department of public welfare (IS DIRECTED TO FUR-

NISH) shall certify 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, based on the number of these children on the roll of the school as of October 1. 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 greater of (a) the average of actual pupil units in the district for the two prior years and the current (YEARS IN A DISTRICT WITH BOUNDARIES COTERMINOUS WITH THE BOUNDARIES OF A CITY OF THE FIRST CLASS AND SHALL BE) year or (b) the number of actual pupil units for the current year increased by .6 times the difference between the actual pupil units for the (TWO YEARS IN ANY OTHER DISTRICT) prior year and the current year. 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. 4. Minnesota Statutes 1976, 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 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 EN-

TITLED TO TRANSPORTATION AID UNDER SECTION 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. 5. Minnesota Statutes 1976, Section 124.17, is amended by adding a subdivision to read:

Subd. 2b. Notwithstanding subdivision 2, pupils enrolled in the Minnesota National Guard program shall be construed to be in attendance for purposes of computing average daily membership during any period of the regular school year, but not to include summer school, during which the pupil is attending military active duty training pursuant to that program. During that period of military active duty training, the pupil shall earn all aid for the district of residence or attendance which would be otherwise earned by his presence.

Sec. 6. Minnesota Statutes 1976, Section 124.19, Subdivision 1, is amended to read:

124.19 [REQUIREMENTS FOR AID GENERALLY.] Subdivision 1. Every district which receives special state aid shall maintain school or provide instruction in other districts, in state university laboratory school or in the university laboratory school, at least a minimum term as defined by the state board. The normal school year when school is in session shall be not less than 175 days or their equivalent. A district which holds school for that period and is otherwise qualified is entitled to special state aid as by law provided. If school is held a less period such special state aid shall be reduced (IN THE PROPORTION THAT) *by the ratio that the difference between 175 days and the number of days school is held bears to 175 days (EFFECTIVE THE 1970-71 SCHOOL YEAR AND THEREAFTER), multiplied by 60 percent of the product of the district's foundation aid formula allowance times its pupil units for that year;* but districts maintaining less than the required minimum number of days of school in session do not lose special state aid if the circumstances causing such loss of school time below the required minimum number of days were beyond the control of the board and provided proper evidence has been submitted and a good faith attempt made to make up time lost on account of these circumstances; provided further, that days devoted to teachers' institutes or other meetings authorized or called by the commissioner may not be included as part of the required minimum number of days of school in session.

Sec. 7. Minnesota Statutes 1976, Section 124.20, is amended to read:

124.20. [EDUCATION; STATE AID; SUMMER SCHOOL AND FLEXIBLE SCHOOL YEAR CLASSES.] Foundation aid for (1) summer school classes which are not a part of the regular school term in hospitals, sanatoriums, and home instruction programs, (2) inter-session classes of flexible school year programs and summer school classes in elementary and secondary schools, and (3) summer school instruction in teachers college laboratory schools or in the university laboratory school, shall be paid at a proportionate rate for foundation aids paid for the preceding regular school year, provided that no district shall receive aid for programs under this section in an amount greater than its actual expenditures for these programs. (PAYMENTS OF AID FOR SUMMER CLASSES AT A PROPORTIONATE RATE TO FOUNDATION AID PURSUANT TO THIS SECTION IN 1972 AND PRECEDING YEARS ARE HEREBY SANCTIONED. THE PROVISION IN THIS SECTION FOR PAYMENT OF AID FOR SUMMER CLASSES AT A PROPORTIONATE RATE TO FOUNDATION AID FOR THE PRECEDING SCHOOL YEAR SHALL APPLY TO SUMMER CLASSES IN 1973 AND SUBSEQUENT YEARS.) *Beginning in the summer of 1978, no aid shall be paid pursuant to this section except for summer programs for handicapped children as provided in section 120.17, subdivision 5a.*

Sec. 8. Minnesota Statutes 1976, Section 124.212, Subdivision 1, is amended to read:

124.212 [FOUNDATION AID.] Subdivision 1. The foundation aid program for school districts for school years (1975-1976) 1977-1978 and (1976-1977) 1978-1979 shall be governed by the terms and provisions of this section.

Sec. 9. Minnesota Statutes 1976, Section 124.212, Subdivision 3a, is amended to read:

Subd. 3a. Notwithstanding any of the other provisions of this section, for the (1975-1976) 1977-1978 school year neither the sum nor the sum per pupil unit of the aggregate foundation aid earned by a district maintaining a classified secondary school and the amount raised by the maximum levy authorized by Minnesota Statutes (1974) 1976, Section 275.125, Subdivision 2a, Clause (2) and for the (1976-1977) 1978-1979 school year neither the sum nor the sum per pupil unit of the aggregate foundation aid earned by such district and the amount raised by the maximum levy authorized (FOR 1975) in 1977 by section 275.125, subdivision 2a, clause (1), shall be less than the sum or the sum per pupil unit respectively of the aggregate foundation aid earned for the 1972-1973 school year, any payments earned for 1972-1973 which but for the operation of Minnesota Statutes 1971, Section 124.212, Subdivision 3, would not have been earned, and the amount raised by the levy authorized by Minnesota Statutes 1971, Section 275.125, Subdivision 2, Clause (1). Aggregate foundation aid includes foundation aid for all

pupil units, except units computed in section 124.17, subdivision 1, clause (3). For purposes of this computation pupil units used as a divisor shall include only those units identified in section 124.17, subdivision 1, clauses (1) and (2).

Sec. 10. Minnesota Statutes 1976, Section 124.212, Subdivision 6b, is amended to read:

Subd. 6b. For the (1975-1976) *1977-1978* school year a district shall receive in foundation aid the lesser of (1) (\$900) *\$1,025* per pupil unit less (30) *29* mills times the (1973) *1975* adjusted assessed valuation of the district, or (2) the amount that bears the same relation to the difference in (1) as the sum of the greater sum computed pursuant to Minnesota Statutes (1974) *1976*, Section 124.212, Subdivision (7a) *7b*, Clause (2), and the greater of (a) (ONE-HALF) *five-sixths* of the difference that results when such greater sum is subtracted from (\$900) *\$1,025*, or (b) (\$75) *\$65*, bears to (\$900) *\$1,025*.

Sec. 11. Minnesota Statutes 1976, Section 124.212, Subdivision 7b, is amended to read:

Subd. 7b. For the (1976-1977) *1978-1979* school year a district shall receive in foundation aid (THE LESSER OF (1) \$960) *\$1,105* per pupil unit less 29 mills times the (1974) *1976* adjusted assessed valuation of the district, (OR (2) THE AMOUNT THAT BEARS THE SAME RELATION TO THE DIFFERENCE IN (1) AS THE SUM OF THE GREATER SUM COMPUTED PURSUANT TO SUBDIVISION 6B, CLAUSE (2), AND THE GREATER OF (A) TWO-THIRDS OF THE DIFFERENCE THAT RESULTS WHEN SUCH GREATER SUM IS SUBTRACTED FROM \$960, OR (B) \$60, BEARS TO \$960) *plus the amount of the agricultural tax credit by which 1977 payable 1978 property taxes in the district are reduced pursuant to section 273.132.*

Sec. 12. Minnesota Statutes 1976, 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; 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 law distributing proceeds in lieu of ad valorem tax assessments on copper or nickel properties; the foundation aid shall be reduced in the (AUGUST) October adjustment payment or the next fiscal year's foundation aid payment, if necessary, 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) October 1977 adjustment, and 50 percent in each October adjustment thereafter, of the previous fiscal year's payment.

Sec. 13. Minnesota Statutes 1976, Section 124.212, is amended by adding a subdivision to read:

Subd. 9a. Shared time pupils are defined as those pupils who attend public schools for part of the regular school day and who otherwise fulfill the requirements of section 120.10 by attendance at a private school.

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

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

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

(d) *Notwithstanding the provisions of clause (c), the resident district of a shared time pupil attending shared time classes in another district may grant the district of attendance, upon its request, permission to claim the pupil as a resident for state aid purposes. In this case, state aid shall be paid to the district of attendance.*

Sec. 14. Minnesota Statutes 1976, Section 124.213, is amended 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 or 124.573; (3) special educational aid pursuant to section 124.32. For the 1977-1978 school year, the foundation aid formula allowance shall equal the lesser of (\$1,015) \$1,025 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 the (\$1,015) \$1,025, or (b) (\$55) \$65. *For the 1978-1979 school year, the foundation aid formula allowance shall be \$1,105.* 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. 15. Minnesota Statutes 1976, Section 273.132, is amended to read:

273.132 [STATE PAID AGRICULTURAL CREDIT.] The county auditor shall reduce the tax on all property receiving the homestead credit pursuant to section 273.13, subdivision 6, by an amount equal to the tax levy that would be produced by applying a rate of 12 mills on the property. The county auditor shall reduce the tax on all other agricultural lands and all real estate devoted to temporary and seasonal residential occupancy for recreational purposes, but not devoted to commercial purposes, by an amount that would be produced by applying a rate of ten mills on the property. The amounts so computed by the county auditor shall be submitted to the commissioner of revenue as part of the

abstracts of tax lists required to be filed with the commissioner under the provisions of section 275.29. Any prior year adjustments shall also be certified in the abstracts of tax lists. The commissioner of revenue shall review such certifications to determine their accuracy. He may make such changes in the certification as he may deem necessary or return a certification to the county auditor for corrections.

(PAYMENT SHALL BE MADE ACCORDING TO THE PROCEDURE PROVIDED IN SECTION 273.13, SUBDIVISION 15A, FOR THE PURPOSE OF REPLACING REVENUE LOST AS A RESULT OF THE REDUCTION OF PROPERTY TAXES PROVIDED IN THIS SECTION.) There is appropriated from the general fund in the state treasury to the (COMMISSIONER) *department* of (REVENUE) *education* the amount necessary to make these payments.

Sec. 16. Minnesota Statutes 1976, Section 275.125, Subdivision 2a, is amended to read:

Subd. 2a. (1) In (1975) 1977, a school district may levy for all general and special school purposes, an amount equal to the amount raised by *29 mills times* the (1974) 1976 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) 1978, a school district may levy for all general and special school purposes, an amount equal to the amount raised by *29 mills times* the (1975) 1977 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 \$1,015, OR (B) \$55, BEARS TO \$1,015).

(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. *Within 30 days after the district holds a referendum pursuant to this clause, the district shall notify the commissioner of education of the results of the referendum.*

Sec. 17. Minnesota Statutes 1976, 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 that portion of the previous year's payment not deducted from foundation aid on account of the payment. 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 permis-

sible levies pursuant to those sections, but instead shall reduce the permissible levies authorized by this section to be 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 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 subdivision 2a, clause (4) shall not be reduced pursuant to this subdivision. The amount of any levy authorized by subdivision 4, to make payments for bonds issued and for interest thereon, shall not be reduced pursuant to this subdivision.

(4) *Before computing the reduction pursuant to this subdivision of the capital expenditure levy authorized by section 124.04 and subdivision 4, the commissioner shall ascertain from each affected school district the amount it proposes to levy for capital expenditures pursuant to section 124.04. The reduction of the capital expenditure levy shall be computed on the basis of the amount so ascertained.*

(5) 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) *October 1977 or thereafter* 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) *October or thereafter* 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. 18. [FOUNDATION AID; APPROPRIATION.] *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. For foundation aid there is appropriated:

<i>\$606,100,000</i>	<i>1978,</i>
<i>\$609,000,000</i>	<i>1979.</i>

(a) The appropriation in this subdivision for fiscal year 1978 includes \$53,711,000 for the payment of the final foundation aid distribution for fiscal year 1977.

(b) The appropriation in this subdivision for fiscal year 1979 includes \$51,749,000 for the payment of the final foundation aid distribution for fiscal year 1978.

Subd. 3. Any unexpended balance remaining from the appropriation in this section for 1978 shall not cancel but shall be available for the second year of the biennium.

Sec. 19. [EFFECTIVE DATE.] *Sections 1 and 2 of this article are effective the day following final enactment. Section 15 of this article is effective July 1, 1978.*

ARTICLE II

TRANSPORTATION AID PROGRAM

Section 1. Minnesota Statutes 1976, Section 124.222, Subdivision 1a, is amended to read:

Subd. 1a. [COMPUTATION.] For the (1975-1976) 1977-1978 school year the state shall pay to each school district for all school transportation and related services for which the district is authorized by law to receive state aid:

(1) The lesser product of either:

(a) The actual net operating cost per eligible pupil transported during the (1976) 1978 fiscal year times the number of eligible pupils transported during the (1976) 1978 fiscal year; or

(b) One hundred (EIGHTEEN) *seventeen* percent of the actual net operating cost per eligible pupil transported during

the (1974) 1976 fiscal year, times the number of eligible pupils transported during the (1976) 1978 fiscal year;

(2) Minus the amount raised by a levy of one mill times the adjusted assessed valuation which is used to compute the transportation levy limitation for the levy collected in calendar year (1975) 1977;

(3) Plus, the amount of depreciation for one year on the school bus fleet computed by the department of education on a straight line basis at the rate of 12 1/2 percent per year of the cost of the fleet. (THE NET COST AFTER SALVAGE OF ALL EQUIPMENT ADDED TO OR INSTALLED IN A SCHOOL BUS SPECIFICALLY TO MEET SPECIAL NEEDS OF HANDICAPPED INDIVIDUALS SHALL BE ADDED TO THE REMAINING UNDEPRECIATED VALUE OF THAT BUS AND DEPRECIATED OVER THE REMAINDER OF THE DEPRECIATION TERM FOR THAT BUS.)

Sec. 2. Minnesota Statutes 1976, Section 124.222, Subdivision 1b, is amended to read:

Subd. 1b. [COMPUTATION.] For the (1976-1977) 1978-1979 school year the state shall pay to each school district for all school transportation and related services for which the district is authorized by law to receive state aid:

(1) The lesser product of either:

(a) The actual net operating cost per eligible pupil transported during the (1977) 1979 fiscal year times the number of eligible pupils transported during the (1977) 1979 fiscal year; or

(b) One hundred (TWENTY-FOUR) *twenty-seven* percent of the actual net operating cost per eligible pupil transported during the (1974) 1976 fiscal year, times the number of eligible pupils transported during the (1977) 1979 fiscal year;

(2) Minus the amount raised by a levy of one mill times the adjusted assessed valuation which is used to compute the transportation levy limitation for the levy collected in calendar year (1976) 1978;

(3) Plus, the amount of depreciation for one year on the school bus fleet computed by the department of education on a straight line basis at the rate of 12 1/2 percent per year of the cost of the fleet. (THE NET COST AFTER SALVAGE OF ALL EQUIPMENT ADDED TO OR INSTALLED IN A SCHOOL BUS SPECIFICALLY TO MEET SPECIAL NEEDS OF HANDICAPPED INDIVIDUALS SHALL BE ADDED TO REMAINING UNDEPRECIATED VALUE OF THAT BUS

AND DEPRECIATED OVER THE REMAINDER OF THE DEPRECIATION TERM FOR THAT BUS.)

Sec. 3. Minnesota Statutes 1976, Section 124.222, Subdivision 2a, is amended to read:

Subd. 2a. [HANDICAPPED PUPIL TRANSPORTATION; COST.] (1) In addition to the amounts authorized in subdivision 1a, if the actual net operating cost per eligible handicapped pupil transported during the (1976) 1978 fiscal year exceeds (128) 117 percent of the actual net operating cost per eligible handicapped pupil transported during the (1974) 1976 fiscal year, the state shall pay to the district 80 percent of the cost for this handicapped transportation in excess of this (128) 117 percent.

(2) In addition to the amounts authorized in subdivision 1b, if the actual net operating cost per eligible handicapped pupil transported during the (1977) 1979 fiscal year exceeds (134) 127 percent of the actual net operating cost per eligible handicapped pupil transported during the (1974) 1976 fiscal year, the state shall pay to the district 80 percent of the costs for this handicapped transportation in excess of this (134) 127 percent.

Sec. 4. Minnesota Statutes 1976, Section 124.222, Subdivision 3, is amended to read:

Subd. 3. [PAYMENT SCHEDULE.] 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 school transportation aid entitlement for the fiscal year on or before each of the following dates: (SEPTEMBER 30) *August 31*, December 31, and March 31. *The amount of transportation aid for school bus fleet depreciation shall be paid on or before September 30.* The (ACTUAL BALANCE DUE) *final aid distribution* to the district shall be (PAID) *made* on or before (AUGUST) *October* 31 of the following fiscal year.

Sec. 5. Minnesota Statutes 1976, Section 124.222, Subdivision 6, is amended to read:

Subd. 6. [BOUNDARY MODIFICATIONS, COST CHANGES.] 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. 6. Minnesota Statutes 1976, Section 124.222, is amended by adding a subdivision to read:

Subd. 7. [TRANSPORTATION ADJUSTMENTS.] No adjustments in transportation aid for any school year or in the base cost per pupil transported in any school year, which result from omissions in school district reports, shall be made after December 15 of the next school year, unless the adjustments are determined by the legislative auditor.

Sec. 7. Minnesota Statutes 1976, 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;

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

(10) Transportation to, from, or between educational facilities located in any of two or more school districts jointly offering academic classes for resident pupils of any of these districts, if this transportation is provided in conjunction with transportation of resident pupils to a state board approved secondary vocational center.

Sec. 8. [TRANSPORTATION AIDS; APPROPRIATION.]
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. For transportation aid there is appropriated:

\$75,084,000 1978,

\$78,449,000 1979.

(a) *The appropriation in this subdivision for fiscal year 1978 includes not to exceed \$6,546,400 for the payment of the final transportation aid distributed to each district for fiscal year 1977.*

(b) *The appropriation in this subdivision for fiscal year 1979 includes not to exceed \$6,937,408 for the payment of the final transportation aid distribution to each district for fiscal year 1978.*

(c) *The appropriation in this subdivision also includes not to exceed \$800,000 in 1978 and \$900,000 in 1979 for aid for transportation authorized pursuant to section 3, of this article.*

(d) *The appropriation in this subdivision also includes not to exceed \$200,000 in each year indicated for aid for transportation authorized pursuant to section 7, clause (10) of this article.*

Subd. 3. Any unexpended balance remaining from the appropriation in this section for 1978 shall not cancel but shall be available for the second year of the biennium. None of the amounts appropriated in this section shall be expended for a purpose other than the purpose indicated. If the appropriation amount indicated for either year in subdivision 2, clause (c) or (d) is insufficient for the purpose indicated, the aid for that year for that purpose shall be prorated among all qualifying districts

and the state shall not be obligated for any amount in excess of the appropriation for these purposes.

Sec. 9. [REPEALER.] *Minnesota Statutes 1976, Section 124.222, Subdivisions 4 and 5 are repealed.*

Sec. 10. [EFFECTIVE DATE.] *Section 4 of this article is effective the day following its final enactment.*

ARTICLE III

SPECIAL EDUCATION AID PROGRAM

Section 1. Minnesota Statutes 1976, Section 120.17, Subdivision 1a, is amended to read:

Subd. 1a. School districts may provide special instruction and services through the school year in which the pupil reaches age 25 for trainable mentally retarded pupils as defined in section 120.03, subdivision 4, who have attended public school less than nine years (PRIOR TO SEPTEMBER, 1975).

Any district may provide programs for these trainable mentally retarded pupils living within the district, including non-resident pupils temporarily placed in the district pursuant to section 120.17, subdivision 6 or 7. Prior to October 1 or 30 days after placement, whichever is later in the school year, the providing district shall give notice to the district of residence of any non-resident pupil placed in the district pursuant to subdivision 6 or 7, of its intention to provide these programs and bill the district of residence for the actual unreimbursed costs of providing the program. The unreimbursed actual cost of providing the program for eligible nonresident pupils shall be billed to the district of the pupil's residence and shall be paid by the resident district. The district of residence may claim state aid for these pupils as if the pupils were under 21 years of age.

Sec. 2. Minnesota Statutes 1976, Section 120.17, Subdivision 5a, is amended to read:

Subd. 5a. Every district may provide summer programs for handicapped children living within the district, including non-resident children temporarily placed in the district pursuant to subdivisions 6 or 7. Prior to March 31 or 30 days after the handicapped child is placed in the district, whichever is later, the providing district shall give notice to the district of residence of any nonresident children temporarily placed in the district pursuant to subdivisions 6 or 7, of its intention to provide these programs. Notwithstanding any contrary provisions in subdivisions 6 and 7, the school district providing the special instruction and services shall apply for all state aid for the summer program, including special state aid pursuant to section 124.32, foundation

aid and transportation aid. For the purposes of computing foundation aid for these programs, all pupils enrolled in these programs shall be construed to be residents of the district providing the programs. The unreimbursed actual cost of providing the program for nonresident handicapped children may be billed to the district of the child's residence and shall be paid by the resident district. (THIS SUBDIVISION SHALL BE EFFECTIVE MARCH 1, 1976.)

Sec. 3. Minnesota Statutes 1976, Section 123.581, Subdivision 1, is amended to read:

123.581 [PROGRAMS FOR IN-SERVICE TRAINING FOR REGULAR CLASSROOM TEACHERS IN TECHNIQUES OF EDUCATION OF HANDICAPPED PUPILS.] Subdivision 1. [ESTABLISHMENT.] (PILOT) Programs for in-service training for regular classroom teachers, *assistant principals and principals* in techniques of education of (MILDLY LEARNING DISABLED AND RETARDED) *handicapped* pupils shall be established in school districts designated by the state board of education. Funds for these (PILOT) programs shall be granted by the state board upon the recommendation of the advisory council for (SPECIAL EDUCATION OF MILDLY LEARNING DISABLED PUPILS AND MILDLY RETARDED PUPILS) *in-service training for regular classroom teachers, assistant principals and principals in techniques of education of handicapped pupils. Handicapped pupils for the purposes of section 123.581, are those defined in section 120.03.*

Sec. 4. Minnesota Statutes 1976, Section 123.581, Subdivision 2, is amended to read:

Subd. 2. [ADVISORY COUNCIL.] There is hereby established the advisory council for (SPECIAL EDUCATION OF MILDLY LEARNING DISABLED PUPILS AND MILDLY RETARDED) *in-service training for regular classroom teachers, assistant principals and principals in techniques of education of handicapped pupils*, which *council* shall be responsible for recommending grants for and assisting the districts in developing the (PILOT) programs of in-service teacher training.

Sec. 5. Minnesota Statutes 1976, Section 123.581, Subdivision 3, is amended to read:

Subd. 3. [MEMBERSHIP.] The advisory council shall consist of (12) 15 members who shall be appointed by the commissioner of education. (NINE) *Ten* members shall be professionally qualified in the fields of special or general education, and (THREE) *five* shall be public members. The professionally qualified members shall be representative of teacher training departments or institutions, educators acting as consultants in the field of special learning behavior problems, mental retardation, and other educational handicaps, *classroom teachers, princi-*

pals or assistant principals and the department of education. The public members shall be representative of associations and organizations concerned with the problems of (LEARNING DISABLED PUPILS AND RETARDED) *handicapped* pupils.

Sec. 6. Minnesota Statutes 1976, Section 123.581, Subdivision 6, is amended to read:

Subd. 6. [REQUIREMENTS FOR PROGRAMS.] A grant received by the district shall be used solely for costs incurred in the in-service training of the teachers and shall not be used for any other general education or special education functions. Applications for grants may be considered from districts initiating an in-service training program or continuing an existing program. A single district may initiate or continue a program or may join with another district or other districts. A district may cooperate with other districts in a special educational regional council, educational service area, or educational cooperative service unit wherever such arrangement is available. Distribution of funds between or among the (PILOT) programs shall depend upon the needs of the district, its population, and the number of teachers to be trained in the program. There is no requirement that funds be equally distributed.

Sec. 7. Minnesota Statutes 1976, Section 124.32, is amended to read:

124.32 [HANDICAPPED CHILDREN.] Subdivision 1. The state shall pay to any district: (a) for the employment in its educational program for handicapped children, no less than 55 and nor more than 75 percent of the salary of essential personnel, but this amount shall not exceed \$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, whether the essential personnel are employed by a district alone or jointly with another district;

(b) plus (10) *five* 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 this section, for the (1976-1977) 1977-1978 school year, the foundation aid formula allowance per pupil unit shall be the lesser of (\$960) \$1,025 or the greater sum computed pursuant to section 124.212, subdivision (7B) 6b, clause (2). For the 1978-1979 school year, the foundation aid formula allowance per pupil unit shall be \$1,105. Computations of foundation aid formula allowances pursuant to this section 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 this section, 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) applied 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 pay each district for supplies and equipment purchased or rented for use in the instruction of handicapped children an amount equal to one-half of the sum actually expended by the district 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) *The aids provided for educational programs for handicapped children shall be paid 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 of the pupils' residence. The total amount of aid paid may not exceed the amount expended for handicapped children 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 the percent of instructional costs charged to the resident district which is equal to the actual percent of the salaries of essential personnel (PAID) *applied* by the state pursuant to subdivision 1, clause (a), less the foundation aid 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, *there shall be spent not more than \$500,000 for the 1977-1978 school year and \$600,000 for the 1978-1979 school year.* If that amount does not suffice, the aid shall be prorated 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 pay each district the actual cost incurred in providing instruction and services for a handicapped child whose district of residence has been determined by section 120.17, subdivision 8a, and who is temporarily placed in a state institution or a licensed residential facility for care and treatment. This section does not apply for a child placed in a foster home or a foster group home.

Upon following such procedure as requested by the commissioner of education a district 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 education aid, transportation aid, and any other aid earned in behalf of such child, such action pursuant to limits set forth in 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 this section 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 necessity of the program and 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 *any substantial* 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) 31 and March 31. The final aid distribution to the district shall be made on or before (AUGUST 31) *October 31* of the following year.

Subd. 10. *The state shall pay aid for 1977 summer school programs for handicapped children on the basis of the formula applicable to the 1977-78 school year.* Beginning with the summer of (1977) 1978, the state shall pay aid for summer school pro-

grams 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 THIS SECTION.)

((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 APRIL 14, 1976.)

((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 RE-

FLECTED IN THIS ACCOUNT SHALL BE IN ADDITION TO THE STATUTORY OPERATING DEBT OF THE DISTRICT DETERMINED PURSUANT TO SECTION 121.914.)

((C) NOTWITHSTANDING THE PROVISIONS OF SECTION 275.125, SUBDIVISION 9A, CLAUSE (2) 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 275.125 AND THE AMOUNT DEPOSITED PURSUANT TO LAWS 1976, CHAPTER 271, SECTION 94 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 275.125, SUBDIVISION 9A 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 PURPOSES 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 OPER-

ATING 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.) *Special school district No. 1 shall be allowed to maintain as an appropriated fund balance in its general fund on June 30, 1977 the unexpended balance of the \$4,700,000 deficit financing authorized by Minnesota Statutes 1976, Section 124.32, Subdivision 11. This appropriated fund balance amount shall be treated by the commissioner the same as he would treat any appropriated fund balance amount for the purpose of calculating operating debt pursuant to section 121.914. Moreover, this amount shall only be available to finance the 1977-1978 special education budget of the district.*

This subdivision shall expire on July 1, 1978.

Sec. 8. Minnesota Statutes 1976, Section 128A.02, Subdivision 2, is amended to read:

Subd. 2. The state board (SHALL) *may* promulgate rules regarding the (MAINTENANCE AND CONDUCT) *operation* 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.

Sec. 9. Minnesota Statutes 1976, Section 128A.02, Subdivision 3, is amended to read:

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 teaching and the state board of education; provided that any teacher who does not meet these standards as of July 1, (1977) 1979 shall be required to meet these standards by September 15, (1978) 1980 in order to continue in employment.

Sec. 10. Minnesota Statutes 1976, Section 128A.06, is amended to read:

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) *five* 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) *commissioner of education*. The admissions and discharge committee shall (MAKE ITS DECISIONS BY JULY 1) *decide whether to admit a child on the basis of a review of the educational record and needs of the child, including the record of the decision by the child's district of residence pursuant to sections 120.17 and 128A.05, subdivision 1 or 2, to apply for the child's admission.* (AN ADMITTANCE SHALL BE PROVISIONAL UNTIL IT IS DETERMINED THAT THAT INDIVIDUAL COMES WITHIN THE PROVISIONS OF SECTION 128A.05, SUBDIVISIONS 1 OR 2.)

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) *July 1, 1978* that that individual comes within the provisions of section 128A.05, subdivision 1 or 2.

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) *procedural safeguards contained in the rules of the state board.*

Subd. 5. The progress of an individual in attendance at either school shall be *periodically* 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. *The actions and decisions of the admissions and discharge committee shall be subject to state board rules. Decisions concerning admittance (AND), discharge and an individual's educational program 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. 11. Laws 1976, Chapter 271, Section 94, is amended to read:

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) "*appropriated fund balance reserve account for purposes of reducing statutory operating debt*" established pursuant to Minnesota Statutes, Section 275.125, Subdivision 9a.

Sec. 12. [SPECIAL EDUCATION AID; 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. For special education aid there is appropriated:

\$66,159,300 1978,

\$77,294,300 1979.

(a) The appropriation in this subdivision for fiscal year 1978 includes not to exceed \$7,893,468 for the payment of the final special education aid distribution to each district for fiscal year 1977, of which not to exceed \$2,541,829 is for special education aid for 1977 summer school programs.

(b) The appropriation in this subdivision for fiscal year 1979 includes not to exceed \$10,609,503 for the payment of the final special education aid distribution to each school district for fiscal year 1978, of which not to exceed \$3,874,708 is for special education aid for 1978 summer school programs.

Subd. 3. There is appropriated for the purposes of section 123.581:

\$350,000 1978,

\$350,000 1979.

Of this amount, not more than \$5,700 may be spent in each year for additional departmental personnel to implement the programs.

Subd. 4. Any unexpended balance remaining from the appropriation in this section for 1978 shall not cancel but shall be available for the second year of the biennium. None of the amounts appropriated in this section shall be expended for a purpose other than the purpose indicated.

Sec. 13. [EFFECTIVE DATE.] Sections 2, 3, 4 and 5 and section 7, subdivisions 7, 9 and 10 of this article shall be effective the day following final enactment. Section 1 of this article shall be effective August 15, 1977.

ARTICLE IV

COMMUNITY AND ADULT EDUCATION PROGRAMS

Section 1. Minnesota Statutes 1976, Section 124.26, Subdivision 1, is amended to read:

124.26 [EDUCATION PROGRAMS FOR ADULTS.] Subdivision 1. For evening schools and continuing education programs for adults established for persons over 16 years of age and not in attendance upon regular day schools, the state shall compensate any district maintaining such programs in accordance with requirements established by the state board from funds appropriated for that purpose, or such funds combined with federal funds insofar as federal funds are available. (BEGINNING JULY 1, 1975.) The state shall (NOT REIMBURSE EXPENDITURES FROM THE 1974-1975 SCHOOL YEAR PROGRAMS, BUT SHALL) pay *these* aids (FOR THE 1975-1976 SCHOOL YEAR PROGRAMS AND FOR EACH YEAR THEREAFTER) on a current funding basis. The portion of such compensation from state appropriation shall be 90 percent of the compensation paid each teacher for his services in such programs up to \$8,000 per year based on the costs in that current year. All classes shall be tuition free when taught by teachers subsidized under this section and there shall be no charge for registration, materials and supplies, or G.E.D. tests. Evening school and continuing education programs are defined as those public day or evening school programs which are established for persons over 16 years of age not in attendance at the full time elementary or secondary schools and which qualify such persons for the high school diploma, the high school equivalency certificate or for academic achievement at the secondary level.

Sec. 2. Minnesota Statutes 1976, Section 124.26, Subdivision 4, is amended to read:

Subd. 4. 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) *August 31*, December 31, and March 31. The actual balance due the district shall be paid on or before (AUGUST) *October 31* of the following fiscal year.

Sec. 3. Minnesota Statutes 1976, Section 124.271, Subdivision 2, is amended to read:

Subd. 2. In fiscal year (1977 AND EACH YEAR THEREAFTER) *1978*, the state shall pay 50 cents per capita to each

school district which is operating a community school program in compliance with the rules 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, *clause (1)*, for use in that year.

Sec. 4. Minnesota Statutes 1976, Section 124.271, Subdivision 5, is amended to read:

Subd. 5. All community school programs aid shall be distributed by the state aids, statistics and research section of the state department of education. Aid shall be distributed prior to November 1, (1976 AND EACH YEAR THEREAFTER) 1977.

Sec. 5. Minnesota Statutes 1976, 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) *the dollar amount certified pursuant to this subdivision in 1976*. 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) *the dollar amount certified pursuant to this subdivision in 1976*. 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. 6. [APPROPRIATIONS.] *Subdivision 1. There is appropriated from the general fund to the department of education the sums indicated in this subdivision for the fiscal years ending June 30 in the years designated.*

Subd. 2. [ADULT EDUCATION AID.] For adult education aid pursuant to section 124.26, there is appropriated:

\$594,000 1978,

\$600,000 1979.

(a) *The appropriation in this subdivision for fiscal year 1978 includes not more than \$54,000 for the payment of the final adult education aid distribution to the districts for fiscal year 1977.*

(b) *The appropriation in this subdivision for fiscal year 1979 includes not more than \$60,000 for the payment of the final adult education aid distribution to the districts for fiscal year 1978.*

Subd. 3. [COMMUNITY EDUCATION AID.] For community education aid pursuant to section 124.271, there is appropriated:

\$2,000,000 1978.

Subd. 4. [G.E.D. REIMBURSEMENT AID.] For G.E.D. reimbursement aid pursuant to section 124.26, subdivision 3, there is appropriated:

\$80,000 1978,

\$80,000 1979.

Subd. 5. Any unexpended balance remaining from the appropriation in this section for 1978 shall not cancel but shall be avail-

able for the second year of the biennium. None of the amounts appropriated in this section shall be expended for a purpose other than the purpose indicated. If the appropriation amount attributable to either year for the purpose indicated is insufficient, the aid for that year shall be prorated among all qualifying districts and the state shall not be obligated for any amount in excess of the appropriations in this section for these purposes.

Sec. 7. [REPEALER.] *Minnesota Statutes 1976, Section 124.271, Subdivision 1, is repealed effective July 1, 1977. Minnesota Statutes 1976, Sections 124.271, Subdivisions 2, 3, 4, and 5 are repealed effective July 1, 1978.*

Sec. 8. [EFFECTIVE DATE.] *Section 2 of this article is effective the day following its final enactment.*

ARTICLE V

VOCATIONAL EDUCATION

Section 1. Minnesota Statutes 1976, Section 123.351, Subdivision 5, is amended to read:

Subd. 5. [FINANCING.] (a) Any center board established pursuant to this section is a public corporation and agency and may receive and disburse federal, state, and local funds made available to it. No participating school district shall have any additional individual liability for the debts or obligations of the center except that assessment which has been certified as its proportionate share in accordance with subdivision 5, clause (b) and subdivision 4, clauses (a) and (c). A member of the center board shall have such liability as is applicable to a member of an independent school district board. Any property, real or personal, acquired or owned by the center board for its purposes shall be exempt from taxation by the state or any of its political subdivisions.

(b) The center board may, in each year, for the purpose of paying any administrative, planning, operating, or capital expenses incurred or to be incurred, assess and certify to each participating school district its proportionate share of any and all expenses. This share shall be based upon an equitable distribution formula agreed upon by the participating districts (AND APPROVED BY THE STATE COMMISSIONER OF EDUCATION WITH APPROVAL BY THE STATE BOARD OF VOCATIONAL EDUCATION). Each participating district shall remit its assessment to the center board within 30 days after receipt. The assessments shall be paid within the maximum levy limitations of each participating district.

Sec. 2. Minnesota Statutes 1976, Section 124.562, Subdivision 1, is amended to read:

124.562 [POST-SECONDARY VOCATIONAL FOUNDATION AID.] Subdivision 1. (FOR THE 1976-1977 SCHOOL YEAR) A district shall receive post-secondary vocational foundation aid in the amount of (\$2,000) \$2,120 for fiscal year 1978 and \$2,240 for fiscal year 1979, times the number of post-secondary vocational-technical pupils in average daily membership, as defined in subdivision 2, less the sum of (1) any amounts received as tuition and fees for post-secondary vocational-technical pupils, (2) the amount raised by the minimum levy required (IN 1975) by section 275.125, subdivision 13, for collection in the calendar year ending in that fiscal year, and (3) any amounts received for post-secondary vocational programs as federal vocational categorical aid and as special grants from state allocations of federal vocational funds, unless these grants are used to fund additional services beyond the normal program.

Sec. 3. Minnesota Statutes 1976, Section 124.565, Subdivision 1, is amended to read:

124.565 [POST-SECONDARY VOCATIONAL EDUCATION TUITION.] Subdivision 1. Any Minnesota resident who is under 21 years of age may attend a post-secondary vocational-technical school (WITHOUT TUITION), provided that the individual meets the entrance requirements for the training course in which enrollment is sought and the school has the room and the facility to receive him.

Sec. 3a. Minnesota Statutes 1976, Section 124.565, Subdivision 3, is amended to read:

Subd. 3. Tuition at a post-secondary vocational-technical school for a Minnesota resident pupil (WHO DOES NOT COME WITHIN THE EXEMPTIONS PROVIDED IN SUBDIVISIONS 1 AND 2,) shall be two dollars per day for each school day the pupil is enrolled.

Sec. 4. Minnesota Statutes 1976, Section 124.57, is amended to read:

124.57 [AID FOR VOCATIONAL EDUCATION.] Subdivision 1. Whenever any district shall have established a vocational school, department, or classes in accordance with the rules and regulations established by the state board adopted by that board, (AND THE PLAN FOR VOCATIONAL EDUCATION, AND APPROVED BY THE UNITED STATES OFFICE OF EDUCATION OR OTHER FEDERAL AGENCY TO WHICH ITS FUNCTIONS ARE ASSIGNED,) the state board shall reimburse such district or state tax supported institution for its expenditures for salaries and necessary travel of vocational teachers or other reimbursable expenditures from federal funds and may supplement such federal funds with such state aid as it may deem desirable under such rules as it may adopt, provided,

however, that in the event of such funds not being sufficient to make such reimbursement in full, the state board shall prorate the respective amounts available to the various districts entitled to receive reimbursement. All instruction may be given at the place of the abode of the pupils (, AND ADULTS MAY BE GIVEN INSTRUCTION IN ADJOINING OR NEARBY DISTRICTS.)

(IN LIKE MANNER THE STATE BOARD SHALL HAVE POWER TO REIMBURSE OTHER GOVERNMENTAL AGENCIES FOR EXPENDITURES FOR SALARIES AND NECESSARY TRAVEL EXPENSES OF VOCATIONAL TEACHERS FROM FEDERAL FUNDS, ACCORDING TO RULES AND REGULATIONS ADOPTED BY THE STATE BOARD).

Subd. 2. When local districts desire but cannot provide vocational instruction for the related training required by apprentices and other learners in the trade, industrial, and distributive fields, the state board is empowered upon request of such local district or districts to employ itinerant vocational teachers to provide this service and pay the salary and necessary travel expense from authorized federal and state vocational aid funds under such rules as it may adopt. An itinerant vocational teacher in this section is defined as a vocational teacher employed to give part-time or periodic vocational instruction in one or more districts.

(THIS SECTION) *Subd. 3. Subdivision 1* shall apply only to secondary (AND ADULT) vocational education programs. Sections 124.561 to 124.565 shall not apply to secondary and adult vocational education programs. (LAWS 1975, CHAPTER 432, SECTION 68 SHALL BE EFFECTIVE JULY 1, 1976.)

Sec. 5. Minnesota Statutes 1976, Section 124.572, is amended to read:

124.572 [CURRENT FUNDING FOR ADULT VOCATIONAL EDUCATION.] *Subdivision 1.* 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.

Subd. 2. In the 1977-1978 school year and thereafter, the state shall pay to any district or cooperative vocational center 75 percent of the salaries paid to essential, certified personnel in that school year for services rendered in that district's or center's adult vocational education programs. In addition, the state shall pay 50 percent of the costs of necessary travel between instructional sites by adult vocational education teachers. The aid

paid by the state for salaries and travel pursuant to this subdivision shall be reduced by any authorized federal vocational aid funds paid by the department to that district or center for adult vocational programs.

Subd. 3. This aid shall be paid only for services rendered or for travel costs incurred in adult vocational education programs approved by the state department of education and operated in accordance with rules promulgated by the state board; provided, in 1977-1978 the department may pay this aid for programs operated in accordance with the state plan for vocational education and current state board rules. By 1978-1979, these rules shall provide minimum student-staff ratios required for an adult vocational education program to qualify for this aid.

Subd. 4. Boards may charge tuition for participation in adult vocational education programs. Nothing in this section shall prohibit the charging of differential tuition rates for residents or nonresidents of a district. If adult vocational education is provided by another district or a cooperative center by contract pursuant to subdivision 5, the contract shall provide for this issue.

Subd. 5. Any board may contract with the board of a district containing a post-secondary vocational-technical school or the board of a cooperative center for the provision of adult vocational education services. The board providing these services may also act as fiscal agent for the other contracting district if so agreed.

Subd. 6. All adult vocational education aid shall be paid to the district or cooperative center providing the services.

Subd. 7. Each district providing adult vocational education shall establish and maintain separate accounts for the receipt and disbursement of all funds related to these adult vocational education programs. All adult vocational education aid received by the district from any source shall be utilized solely for the purposes of adult vocational education programs.

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

Subd. 9. Any individual enrolled in an adult farm management program for longer than six years shall be charged a tuition rate equal to the full cost of the program attributable to that individual.

Sec. 6. Minnesota Statutes 1976, Section 124.573, is amended to read:

124.573 [CURRENT FUNDING FOR SECONDARY VOCATIONAL EDUCATION.] *Subdivision 1.* 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.

Subd. 2. In the 1978-1979 school year and thereafter, the state shall pay to any district or cooperative center 50 percent of the salaries paid to essential, certified personnel in that school year for services rendered in that district's or center's secondary vocational education programs. In addition, the state shall pay 50 percent of the costs of necessary travel between instructional sites by secondary vocational education teachers. The aid paid by the state for salaries and travel pursuant to this subdivision shall be reduced by any authorized federal vocational aid funds paid by the department to that district or center for secondary vocational education programs.

Subd. 3. This aid shall be paid only for services rendered or for travel costs incurred in secondary, vocational education programs approved by the state department of education and operated in accordance with rules promulgated by the state board. These rules shall provide minimum student-staff ratios required for a secondary vocational education program in a cooperative center to qualify for this aid, but shall not require any minimum number of hours, program offerings, or administrative staff for a secondary vocational education program to qualify for this aid.

Subd. 4. All secondary vocational education aid shall be paid to the district or cooperative center providing the services. All secondary vocational education aid received by a district or center from any source shall be utilized solely for the purposes of secondary vocational education programs.

Subd. 5. The state shall pay to each school district and center 30 percent of its estimated secondary vocational education aid for salaries and travel for the school year on or before the following dates: August 31, December 31 and March 31. The final aid distribution to the district shall be made on or before October 31 of the following year. All secondary vocational education aids shall be computed and distributed by the state aids, statistics, and research section of the state department of education.

Sec. 7. Minnesota Statutes 1976, Section 275.125, Subdivision 13, is amended to read:

Subd. 13. Districts maintaining a post-secondary vocational-technical school shall levy for post-secondary vocational-technical purposes as follows:

(1) For districts in cities of the first class, (A MINIMUM OF) one-half mill (UP TO A MAXIMUM OF ONE MILL), exclusive of debt service, times the adjusted assessed valuation of the taxable property of the district for the preceding year as determined by the equalization aid review committee.

(2) For districts formed pursuant to Laws 1967, Chapter 822, as amended, and Laws 1969, Chapters 775 and 1060 as amended, (A MINIMUM OF) one-half mill (UP TO A MAXIMUM OF ONE MILL), exclusive of debt service, times the adjusted assessed valuation of the taxable property of the district for the preceding year as determined by the equalization aid review committee.

(3) For other districts maintaining post-secondary vocational schools, (A MINIMUM OF) one mill (UP TO A MAXIMUM OF THREE MILLS), exclusive of debt service, times the adjusted assessed valuation of the taxable property of the district for the preceding year as determined by the equalization aid review committee.

Sec. 8. Minnesota Statutes 1976, Section 275.125, is amended by adding a subdivision to read:

Subd. 13a. (1) Beginning in 1977, each district participating in 1976-1977 in an intermediate district formed pursuant to Laws 1969, Chapter 775, as amended, or in a joint district formed pursuant to Laws 1969, Chapter 1060, as amended, may levy an additional amount per pupil unit which is equal to .5 mills times the 1976 adjusted assessed valuation of the intermediate or joint district, multiplied by the ratio of the number of the participating district's pupils who received secondary vocational education from the intermediate or joint district in 1976-1977 to the total number of pupils in the intermediate or joint district's secondary vocational education program in 1976-1977; divided by the number of pupil units in the participating district in 1976-1977.

(2) Beginning in 1977, each district participating in 1976-1977 in a joint district formed pursuant to Laws 1967, Chapter 822, as amended, may levy an additional amount per pupil unit which is equal to .7 mills times the 1976 adjusted assessed valuation of the joint district, multiplied by the ratio of the number of the participating district's pupils who received secondary vocational education from the joint district in 1976-1977 to the total number of pupils in the joint district's secondary vocational education program in 1976-1977, divided by the number of pupil units in the participating district in 1976-1977.

(3) *The proceeds of these levies shall be used for secondary vocational education.*

(4) *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).*

Sec. 9. Laws 1967, Chapter 822, Section 7, as amended by Laws 1969, Chapter 945, Section 2, and Laws 1975, Chapter 432, Section 84, is amended to read:

Sec. 7. [TAX LEVIES.] The joint school board shall each year, for the purpose of paying any administrative, planning, operating, or capital expenses incurred or to be incurred for area vocational-technical schools, certify to each participating school district the tax levy specified in *Minnesota Statutes*, Section (76) 275.125, *Subdivision 13*, Clause (2) (OF THIS ACT). An additional tax (LEVIES) *levy* may be certified which shall not in any year exceed .6 mills on each dollar of adjusted assessed valuation for expenses for special education (AND .7 MILLS ON EACH DOLLAR OF ADJUSTED ASSESSED VALUATION FOR EXPENSES FOR SECONDARY VOCATIONAL EDUCATION). Each participating school district shall include such tax levies in the next tax roll which it shall certify to the county auditor or auditors, and shall remit the collections of such levies to the board promptly when received. Such levies shall not be included in computing the limitations upon the levy of any district under *Minnesota Statutes*, Section 275.125. The board may, any time after such levies have been certified to the participating school districts, issue and sell certificates of indebtedness in anticipation of the collection of such levies, but in aggregate amounts such as will not exceed the portion of the levies which (ARE) *is* then not collected and not delinquent.

Sec. 10. Laws 1969, Chapter 775, Section 4, *Subdivision 2*, as amended by Laws 1971, Chapter 267, Section 3, and Laws 1975, Chapter 432, Section 85, is amended to read:

Subd. 2. The intermediate school board shall in each year for the purpose of paying any administrative, planning, operating, or capital expenses incurred or to be incurred certify to each county auditor of each county in which said intermediate school district shall lie, as a single taxing district, the tax levy specified in *Minnesota Statutes*, Section (76) 275.125, *Subdivision 13*, Clause (2) (OF THIS ACT). An additional tax (LEVIES) *levy* may be certified which shall not in any year exceed .6 mills on each dollar of adjusted assessed valuation for expenses for special education (AND .5 MILLS ON EACH DOLLAR OF ADJUSTED ASSESSED VALUATION FOR EXPENSES FOR SECONDARY VOCATIONAL EDUCATION). Said annual tax levies shall be certified pursuant to *Minnesota Statutes*, Section 124.02. Upon such certification the county auditor or auditors and other

appropriate county officials shall levy and collect such levies and remit the proceeds of collection thereof to the intermediate school district as in the case with independent school districts. Such levies shall not be included in computing the limitations, if any, upon the levy of the intermediate district or any of the participating districts under Minnesota Statutes, Section 275.125. After such levies have been certified to the appropriate county officials the intermediate school board may issue and sell by negotiation or at public sale its certificates of indebtedness in anticipation of the collection of such levies, but in aggregate amount such as will not exceed the portion of such tax levy which is then not collected and not delinquent.

Sec. 11. Laws 1969, Chapter 1060, Section 7, as amended by Laws 1975, Chapter 432, Section 86, is amended to read:

Sec. 7. [TAX LEVIES.] The joint school board shall each year, for the purpose of paying any administrative, planning, operating, or capital expenses incurred or to be incurred for area vocational-technical schools, certify to each participating school district the tax levy specified in *Minnesota Statutes*, Section (76) 275.125, *Subdivision 13*, Clause (2) (OF THIS ACT). An additional tax (LEVIES) levy may be certified which shall not in any year exceed .6 mills on each dollar of adjusted assessed valuation for expenses for special education (AND .5 MILLS ON EACH DOLLAR OF ADJUSTED ASSESSED VALUATION FOR EXPENSES FOR SECONDARY VOCATIONAL EDUCATION). Each participating school district shall include such tax levies in the next tax roll which it shall certify to the county auditor or auditors, and shall remit the collections of such levies to the board promptly when received. Such levies shall not be included in computing the limitations upon the levy of any district under Minnesota Statutes, Section 275.125. The board may, any time after such levies have been certified to the participating school districts, issue and sell certificates of indebtedness in anticipation of the collection of such levies, but in aggregate amounts such as will not exceed the portion of the levies which (ARE) is then not collected and not delinquent.

Sec. 12. [APPROPRIATION.] *Subdivision 1. There is appropriated from the general fund to the department of education the sums indicated in this subdivision for the fiscal years ending June 30 in the years designated.*

Subd. 2. [SECONDARY VOCATIONAL EDUCATION AID.] For secondary vocational education aid there is appropriated:

\$16,400,000 1978,

\$18,500,000 1979.

The appropriation in this subdivision for fiscal year 1978 includes not to exceed \$1,143,000 for aid for equipment for secondary vocational education programs.

Subd. 3. [ADULT VOCATIONAL EDUCATION AID.] For adult vocational education aid there is appropriated:

\$ 4,200,000 1978,

\$ 4,500,000 1979.

Subd. 4. [VETERAN FARMER COOPERATIVE TRAINING PROGRAMS.] For veteran farmer cooperative training programs there is appropriated:

\$ 1,729,660 1978,

\$ 1,218,200 1979.

This amount is for state reimbursement for the veteran farmer cooperative training program established under the Veterans Readjustment Benefits Act of 1966, as amended.

Subd. 5. [POST-SECONDARY VOCATIONAL FOUNDATION AID.] For post-secondary vocational foundation aid there is appropriated:

\$60,000,000 1978,

\$56,144,485 1979.

Subd. 6. [POST-SECONDARY VOCATIONAL CATEGORICAL AID.] For post-secondary vocational categorical aid there is appropriated:

\$ 9,500,000 1978,

\$10,024,000 1979.

Subd. 7. [POST-SECONDARY VOCATIONAL CAPITAL EXPENDITURE AID.] For post-secondary vocational capital expenditure aid there is appropriated:

\$ 6,000,000 1978,

\$ 6,000,000 1979.

Subd. 8. [POST-SECONDARY VOCATIONAL DEBT SERVICE CREDIT.] For the post-secondary vocational debt service credit, there is appropriated:

\$ 7,608,300 1978,

\$ 7,814,864 1979.

Subd. 9. [POST-SECONDARY VOCATIONAL DEFICIT PAYMENT.] For the post-secondary vocational deficit payment, there is appropriated:

\$ 1,188,925 1978.

Subd. 10. Any unexpended balance remaining from the appropriation in this section for 1978 shall not cancel but shall be available for the second year of the biennium. None of the amounts appropriated in this section shall be expended for a purpose other than the purpose indicated. If the appropriation amount attributable to either year for the purpose indicated is insufficient, the aid for that year shall be prorated among all qualifying districts and the state shall not be obligated for any amount in excess of the appropriations in this section for these purposes.

Sec. 13. [REPEALER.] Minnesota Statutes 1976, Sections 124.562, Subdivision 6; and 124.563, Subdivision 4, are repealed.

Sec. 14. [REPEALER.] Minnesota Statutes 1976, Sections 124.565, Subdivision 2; and 124.57, Subdivisions 1 and 3, as added by section 4 of this article, are repealed effective July 1, 1978.

Sec. 15. [EFFECTIVE DATE.] Sections 3, 3a and 6 of this article shall be effective July 1, 1978.

ARTICLE VI

OTHER AID AND LEVY PROGRAMS

Section 1. Minnesota Statutes 1976, Section 123.742, Subdivision 1, is amended to read:

123.742 [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 123.741, subdivision 5, and shall make this data available upon request to any district seeking to use it for purposes of comparisons of student performance.

Sec. 2. Minnesota Statutes 1976, Section 124.30, Subdivision 5, is amended to read:

Subd. 5. In fiscal year 1976, each district shall receive 66 2/3 percent of the amount which it would otherwise be entitled to receive pursuant to this subdivision and in fiscal year 1977, 33

1/3 percent of such amount. (THIS SUBDIVISION) *Section 124.30* shall expire on June 30, 1977.

Sec. 3. Minnesota Statutes 1976, Section 124.38, Subdivision 7, is amended to read:

Subd. 7. "Maximum effort debt service levy" means a levy in a total dollar amount computed as 20 mills on the adjusted assessed value; except that the maximum effort debt service levy of any school district having received a debt service or capital loan from the state before January 1, 1965, shall be computed as 4.10 mills on the market value in each year, unless the district applies or has applied for an additional loan subsequent to January 1, 1965, or issues or has issued bonds on the public market, other than bonds refunding state loans, subsequent to January 1, 1967; and except that the maximum effort debt service levy of any school district granted a debt service or capital loan between January 1, 1965, and July 1, 1969, shall be computed as 5 1/2 mills on the market value in each year, until and unless the district receives an additional loan; and except that the maximum effort debt service levy of any school district granted a debt service or capital loan between July 1, 1969 and July 1, 1975 shall be computed as 6.3 mills on market value in each year until and unless the district has received an additional loan; and except that no district's maximum effort debt service levy shall exceed a total dollar amount computed as 20 mills on the adjusted assessed value.

Sec. 4. Minnesota Statutes 1976, 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) *Laws 1973, Chapter 650, Article XXIV, Section 1*, times the sum of its 1972 payable 1973 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 422A.08;

(6) A levy for additional maintenance cost in excess of 29 mills times the adjusted assessed valuation of the school district, pursuant to *Minnesota Statutes 1971, Section 275.125, (SUBDIVISIONS 6 OR 7) Subdivision 3, Clause (4)*.

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. 5. [EDUCATIONAL AIDS FOR NONPUBLIC SCHOOL CHILDREN.] *Notwithstanding any law to the contrary, the state board shall not, prior to July 1, 1979, enforce or allot funds pursuant to Minnesota Statutes, Sections 123.934 and 123.935 or any rules promulgated under those sections.*

Sec. 6. [APPROPRIATION FOR EDUCATIONAL CO-OPERATIVE SERVICE UNITS.] *There is appropriated to the department of education from the general fund the sum of \$200,000 for the biennium ending June 30, 1979 for the purpose of providing operational educational cooperative service units with funds to assist in meeting the costs of rendering technical assistance to local school districts for planning and evaluation pursuant to Minnesota Statutes, Section 123.742. Each ECSU shall receive up to \$20,000, except that the ECSU whose boundaries coincide with the boundaries of development region 11 shall receive up to \$40,000.*

Sec. 7. [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. [STATE AID FOR EXTRAORDINARY TAX DELINQUENCY.] *For state aid for extraordinary tax delinquency pursuant to section 124.241, there is appropriated:*

\$200,000 1978,

\$200,000 1979.

Subd. 3. [ELIGIBLE TEACHER PROGRAM.] *For eligible teacher program aid, there is appropriated:*

\$112,500 1978,

\$ 60,000 1979.

Subd. 4. [EMERGENCY AID.] *For emergency aid pursuant to sections 124.24 and 124.221, there is appropriated:*

\$500,000 1978,

\$300,000 1979.

Subd. 5. [GROSS EARNINGS AID.] For gross earnings aid pursuant to sections 124.28, 124.281 and 124.29, there is appropriated:

\$300,000 1978,

\$300,000 1979.

Subd. 6. Any unexpended balance remaining from the appropriation in this section for 1978 shall not cancel but shall be available for the second year of the biennium. None of the amounts appropriated in this section shall be expended for a purpose other than the purpose indicated. If the appropriation amount attributable to either year for the purpose indicated is insufficient, the aid for that year shall be prorated among all qualifying districts and the state shall not be obligated for any amount in excess of the appropriations in this section for these purposes.

Sec. 8. [REPEALER.] Minnesota Statutes 1976, Sections 124.215, Subdivision 2a; 124.25; 473.633; and 473.635, are repealed.

Sec. 9. [EFFECTIVE DATE.] Section 4 of this article is effective the day following final enactment.

ARTICLE VII

MISCELLANEOUS PROVISIONS

Section 1. [LEGISLATIVE SCHOOL FINANCE STUDY COMMISSION.] Subdivision 1. [CREATION.] There is hereby created a legislative school finance study commission.

Subd. 2. [MEMBERSHIP.] The commission shall consist of 10 members: five members of the house of representatives appointed by the speaker and five members of the senate appointed by the committee on committees. Any vacancy shall be filled by the appointing authority.

Subd. 3. [PURPOSE.] It is the purpose of the commission to study and consider any and all matters related to school finance, including but not limited to the following: effect of sparsity on school finance, concepts of power equalization as applied to school finance, effect of declining enrollments on school finance, school construction needs and effect of staffing patterns on school finance.

Subd. 4. [POWERS AND DUTIES.] (a) The commission shall elect a chairperson and other officers as it deems necessary from its membership.

(b) The commission shall conduct hearings and make investigations as it deems necessary to accomplish its purpose.

(c) The commission shall review and analyze the budgets of a sample of not less than 25 school districts. The sample of districts shall include districts which vary according to the following characteristics: curriculum offerings; size; enrollment pattern; geographic location; adjusted assessed property valuation; and per pupil expenditure level. When appropriate, the sample may include districts which have been selected for the pupil unit audit pursuant to Minnesota Statutes 1976, Section 124.14.

(d) The commission shall make use of available personnel and facilities of the legislature. In the event additional personnel are needed, the commission may employ such personnel as it deems necessary.

(e) The commission may expend money and do all things reasonably necessary to accomplish its purpose.

(f) The commission shall report its findings and recommendations to the governor, the education committees of each house of the legislature, and the state board of education by December 15, 1978.

Subd. 5. [EXPIRATION OF COMMISSION.] The commission's existence shall terminate June 30, 1979.

Subd. 6. [APPROPRIATION.] There is appropriated from the general fund of the state treasury to the legislative school finance study commission for the biennium ending June 30, 1979, the sum of \$80,000. Expenditures of the commission shall be approved as determined by commission resolution.

Sec. 2. [EXTENDED LEAVES OF ABSENCE.] *Subdivision 1. The board of any district may grant an extended leave of absence without salary to any full time elementary or secondary school teacher who has been employed by the district for at least ten but no more than 20 years of allowable service and who has not attained the age of 55 years or over. Extended leaves of absence pursuant to this section shall not exceed five years in duration. An extended leave of absence pursuant to this section shall be taken by mutual consent of the board and the teacher and may be granted only once.*

Subd. 2. A teacher on an extended leave of absence pursuant to this section shall have the right to be reinstated to a position for which he is certified at the beginning of any of the first five

school years after his extended leave of absence begins, unless he is discharged or placed on unrequested leave of absence or his contract is terminated pursuant to section 125.17 or 125.12, while he is on the extended leave. The board shall not be obligated to reinstate any teacher who is on an extended leave of absence pursuant to this section unless the teacher advises the board of his intention to return before February 1 in the school year preceding the school year in which he wishes to return.

Subd. 3. Any teacher who is reinstated to a teaching position after an extended leave of absence pursuant to this section shall retain seniority and continuing contract rights in the employing district as though he had been teaching in the district during the period when he was on the extended leave.

Subd. 4. The years spent by a teacher on an extended leave of absence pursuant to this section shall not be included in the determination of his salary upon his return to teaching in the district. The credits earned by a teacher on an extended leave of absence pursuant to this section shall not be included in the determination of his salary upon his return to teaching in the district for a period equal to the time of the extended leave of absence.

Sec. 3. Minnesota Statutes 1976, Section 120.10, Subdivision 1, is amended to read:

120.10 [COMPULSORY ATTENDANCE.] Subdivision 1. **[AGES AND TERM.]** Every child between seven and 16 years of age shall attend a public school, or a private school, for **(A MINIMUM TERM, AS DEFINED BY THE STATE BOARD)** *not less than 175 days, or their equivalent,* during any school year. No child shall be required to attend a public school more than **(A MAXIMUM TERM, AS DEFINED BY THE STATE BOARD)** *200 days, or their equivalent,* during any school year.

Sec. 4. Minnesota Statutes 1976, 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)** of public value. Beginning in fiscal year 1977, all reports required of school districts by the state board shall be in conformance with the uniform financial accounting and reporting system adopted pursuant to section 121.902. With the cooperation of the **(LEGISLATIVE)** state auditor, the state board shall establish and carry into effect a uniform system of accounting by public school officers and it shall have authority to supervise and examine the accounts and other records of all public schools.

Sec. 5. Minnesota Statutes 1976, Section 121.902, is amended to read:

121.902 [COUNCIL RECOMMENDATIONS.] 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 *and maintain* uniform financial accounting and reporting standards which are consistent with sections 121.90 to 121.92 and with generally accepted accounting principles and practices. The standards so adopted shall be known as the uniform financial accounting and reporting system for Minnesota school districts.

Subd. 2. The state board shall meet the requirements of chapter 15 in the initial adoption *and maintenance* 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.) *Notwithstanding the provisions of section 15.0412 or 121.914, subdivision 2, the state board may promulgate emergency rules relating to standards for the establishment of a uniform auditing or other verification procedure to determine whether a statutory operating debt exists in any Minnesota school district as of June 30, 1977, without compliance with the provisions of section 15.0412, subdivision 4. These rules are to be effective for not longer than 75 days and may be reissued or continued in effect for an additional 75 days, but may not immediately be reissued thereafter without following the procedure of section 15.0412, subdivision 4. These emergency rules shall be published in the state register as soon as practicable.*

Sec. 6. Minnesota Statutes 1976, Section 121.914, Subdivision 1, is amended to read:

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

Sec. 7. Minnesota Statutes 1976, Section 121.914, Subdivision 4, is amended to read:

Subd. (4) 2. If the amount of the (STATUTORY) operating debt (VERIFIED PURSUANT TO SUBDIVISION 2) is (LESS) *more* than two and one-half percent of the most recent fiscal year's expenditure amount for the funds considered under subdivision 1, the net negative *unappropriated* fund balance shall (NOT QUALIFY) *be defined* as (STATUTORY OPERATING DEBT) "*statutory operating debt*" for the purposes of this section and sections 121.917 and 275.125, subdivision 9a.

Sec. 8. Minnesota Statutes 1976, Section 121.914, Subdivision 2, is amended to read:

Subd. (2) 3. The commissioner shall establish a uniform auditing or other verification procedure for school districts to determine whether a statutory operating debt exists in any Minnesota school district as of June 30, 1977. This procedure shall also identify all interfund transfers made during fiscal year 1977 from a fund included in computing statutory operating debt to a fund not included in computing statutory operating debt. The standards for this uniform auditing or verification procedure shall be promulgated by the state board pursuant to chapter 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.

Sec. 9. Minnesota Statutes 1976, Section 121.914, Subdivision 3, is amended to read:

Subd. (3) 4. If an audit or other verification procedure conducted pursuant to subdivision (2) 3 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 275.125, subdivision 9a to eliminate this *statutory* operating debt.

Sec. 10. Minnesota Statutes 1976, Section 121.917, Subdivision 1, is amended to read:

121.917 [EXPENDITURE LIMITATIONS.] Subdivision 1.
(a) Beginning in fiscal year 1978 and in each year thereafter, a district which had statutory operating debt on June 30, 1977 pursuant to section 121.914 shall limit its expenditures in each fiscal year (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) *at the end of that*

fiscal year (PURSUANT TO SECTION 121.914) 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) *that* year (IMMEDIATELY PRECEDING THE FISCAL YEAR FOR WHICH THE STATUTORY OPERATING DEBT CALCULATION IS BEING MADE).

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

Sec. 11. Minnesota Statutes 1976, Section 121.917, Subdivision 2, is amended to read:

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

Sec. 12. Minnesota Statutes 1976, Section 123.335, Subdivision 2, is amended to read:

Subd. 2. The board may authorize an imprest fund for the purpose of advancing money to officers or employees to pay the actual and necessary expenses of such officer or employee in attending meetings outside of the district. The board shall appoint a custodian of such fund and he shall be responsible for its safekeeping and disbursement according to law. (ATTENDANCE AT SUCH MEETINGS SHALL BE AUTHORIZED IN ADVANCE BY THE BOARD.) At the first regular meeting of the board after such meeting, the (OFFICER OR EMPLOYEE) *custodian* shall submit an itemized claim for the actual and necessary expenses incurred and paid (BY HIM IN ATTENDING SUCH MEETING). The board shall act upon it as in the case of other claims and an order shall be issued to the (OFFICER OR EMPLOYEE) *custodian* for the amount allowed. The (OFFICER OR EMPLOYEE) *custodian* shall use the proceeds of the order to repay the amount advanced from the fund (; AND IF THE AMOUNT APPROVED BY THE BOARD IS INSUFFICIENT TO REPAY THE ADVANCE, HE SHALL BE PERSONALLY RESPONSIBLE FOR THE DIFFERENCE) *and make final settlement with the officer or employee. As an alternative the board may authorize travel advances if control is maintained by*

use of a travel advance account, the balance of which is supported by names of employees to whom money has been advanced.

Sec. 13. Minnesota Statutes 1976, Section 123.39, Subdivision 5, is amended to read:

Subd. 5. The board may provide for the admission to the schools of the district, of non-resident pupils, and those above school age, and fix the rates of tuition for such pupils. In case a person owns land and pays the taxes thereon, in a district other than the one in which he resides, then such person or his tenant shall be admitted to all the benefits of said school the same as residents therein, (IN RESPECT TO ELEMENTARY PUPILS) upon conforming to such reasonable terms for tuition and transportation as the board of education of such school district may have established for non-residents, except that he shall be entitled to have the amount of school taxes which he pays to the support of said district applied in payment of said tuition and transportation fees. (IN THE PAYMENT OF STATE AID, THE DISTRICT IN WHICH THE PUPIL ATTENDS SHALL BE CONSIDERED THE DISTRICT OF HIS RESIDENCE BECAUSE OF THE PROVISIONS OF THIS SUBDIVISION.)

Sec. 14. Minnesota Statutes 1976, Section 123.71, Subdivision 1, is amended to read:

123.71 [PUBLICATION OF SCHOOL DISTRICT DISBURSEMENTS.] Subdivision 1. Every school board shall, within 30 days after its adoption of a budget for the current school year, but in no event later than September 1, publish (A SUMMARY OF THE DISBURSEMENTS OF FUNDS SHOWING THE ACTUAL EXPENDITURES FOR THE PRIOR FISCAL YEAR AND PROPOSED EXPENDITURES FOR THE CURRENT FISCAL YEAR) *the revenue and expenditure budgets submitted to the commissioner of education in accordance with section 121.908, subdivision 4, for the current year and the actual revenues, expenditures, fund balances for the prior year and projected fund balances for the current year in a form prescribed by the state board of education after consultation with the advisory council on uniform financing accounting and reporting standards. The forms prescribed shall be designed so that year to year comparisons of revenue, expenditures and fund balances can be made. These budgets, reports of revenue, expenditures and fund balances shall be published in a newspaper of general circulation and holding a U. S. Post Office Department second class mailing permit or a legal newspaper located in the district, or if there be no such newspaper within the district then in the legal newspaper outside the district which has a general circulation in the district.*

Sec. 15. Minnesota Statutes 1976, Section 123.71, Subdivision 2, is amended to read:

Subd. 2. It shall also publish at the same time a summary of bonds outstanding, paid, and sold (,); a summary of orders not paid for want of funds (, AND); certificates of indebtedness for the year ending June 30; *the statutory operating debt of the district as defined and certified pursuant to section 121.914; and the balance amount of the reserve account for purposes of reducing statutory operating debt established pursuant to section 275.125.*

Sec. 16. Minnesota Statutes 1976, Section 275.125, Subdivision 9a, is amended to read:

Subd. 9a. (1) In (1977) 1978 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 committee. When the cumulative (PROCEEDS OF THE) *certified* 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 *in the general fund* which shall be designated "*appropriated fund balance reserve account for purposes of reducing statutory operating debt*" on its books and records. This account shall reflect the (PROCEEDS OF THE) *certified* 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 subdivision 2a, clause (1) or (2) in that same year.

(4) *Each district shall make permanent fund balance transfers so that the total statutory operating debt of the district is reflected in the general fund as of June 30, 1977.*

Sec. 17. Minnesota Statutes 1976, Chapter 354, is amended by adding a section to read:

[354.094] *If a member is granted an extended leave of absence pursuant to section 2 of this article, he may receive allowable service credit toward annuities and other benefits under chapter 354, for each year of his leave by paying into the fund employee contributions during the period of the leave which shall not exceed five years. The employing district shall pay employer contributions into the fund for each year for which a member who is on extended leave pays employee contributions into the fund. The employee and employer contributions shall be based upon the rates of contribution prescribed by section 354.42 for the salary received during the year immediately preceding the extended leave. Payments for the years for which a member is receiving service credit while on extended leave shall be made on or before June 30 of each fiscal year for which service credit is received. Notwithstanding section 354.49, subdivision 4, clause (3), a member on extended leave who pays employee contributions into the fund shall retain membership in the association for as long as he continues to pay employee contributions, under the same terms and conditions as if he had continued to teach in the district. A member on extended leave of absence pursuant to section 2 of this article who does not pay employee contributions into the fund in any year shall be deemed to cease to render teaching services beginning in that year for purposes of chapter 354. If a member who paid employee contributions into the fund for five years while on extended leave does not resume teaching in the sixth school year after the beginning of his extended leave, he shall be deemed to cease to render teaching services beginning in that year for purposes of chapter 354. The provisions of this section shall not apply to a member who is placed on unrequested leave of absence or whose contract is terminated pursuant to section 125.12 while he is on an extended leave of absence pursuant to section 2 of this article.*

Sec. 18. Minnesota Statutes 1976, Chapter 354, is amended by adding a section to read:

[354.66] [QUALIFIED PART TIME TEACHERS; PARTICIPATION IN FUND.] *Subdivision 1. A classroom teacher in the public elementary or secondary schools of the state who has 20 years or more of allowable service may, by agreement with the board of the employing district, be assigned to teaching service within the district in a part time teaching position.*

Subd. 2. For purposes of this section, a part time teaching position shall mean a teaching position within the district in which the teacher is employed for at least 50 full days or a fractional equivalent thereof as prescribed in section 354.091, and for which the teacher is compensated at a rate not exceeding 60 percent of the compensation established by the board for a full time teacher of identical education and experience within the district.

Subd. 3. Notwithstanding any provision of chapter 354 relating to salary for contribution purposes or accrual of service

credit to the contrary, employee and employer contributions to the fund, including the state's obligation therefor, and accrual of allowable service credit toward retirement pursuant to chapter 354 shall be continued during the period of part time employment pursuant to this section upon the same basis and in the same amounts as would be payable or accrued were the teacher to have been employed on a full time basis. A teacher's contributions to the fund and accrual of allowable service credit during part time employment may not be continued pursuant to this subdivision for a period longer than 10 years.

Subd. 4. A board entering into an agreement authorized by this section shall take all steps necessary to assure continuance of any insurance programs furnished or authorized a full time teacher on an identical basis and with identical sharing of costs for a part time teacher pursuant to this section.

Subd. 5. Only teachers who are in the bargaining unit as defined in section 179.63, subdivision 17, during the year preceding the period of part time employment pursuant to this section shall qualify for the continuation of contributions and accrual of service credit pursuant to subdivision 3. This section shall not apply to superintendents, principals, assistant principals or other supervisory employees as defined in section 179.63, subdivision 9. Notwithstanding the provisions of section 179.63, subdivision 7, clauses (e) and (f), teachers who are employed on a part time basis for purposes of this section and who would therefore be disqualified from the bargaining unit by one or both of those provisions, shall continue to be in the bargaining unit during the period of part time employment pursuant to this section for purposes of compensation, fringe benefits and the grievance procedure.

Sec. 19. Minnesota Statutes 1976, Chapter 354, is amended by adding a section to read:

[354.69] *Each school district shall furnish to the appropriate retirement fund association all information and reports deemed necessary by the appropriate board of trustees to administer the provisions of sections 2, 17, 18, 20 and 21 of this article.*

Sec. 20. Minnesota Statutes 1976, Chapter 354A, is amended by adding a section to read:

[354A.091] [TEACHERS ON EXTENDED LEAVE.] *Notwithstanding any provision of chapter 354A or the bylaws of an association relating to salary for contribution purposes or accrual of service credit to the contrary, an elementary or secondary school teacher in the public schools of a city of the first class who is granted an extended leave of absence pursuant to section 2 of this article may receive allowable service credit toward annuities and other benefits under chapter 354A for each year of*

his leave by paying into the fund employee contributions during the period of the leave which shall not exceed five years. The employing district shall pay employer contributions into the fund for each year for which a member who is on extended leave pays employee contributions into the fund. The employee and employer contributions shall be based upon the rates of contribution prescribed by section 354A.12, for the salary received during the year immediately preceding the leave. Payments for the years for which a member is receiving service credit while on extended leave shall be made on or before June 30 of each fiscal year for which service credit is received. A member on extended leave who pays employee contributions into the fund shall retain membership in the association for as long as he continues to pay employee contributions, under the same terms and conditions as if he had continued to teach in the district. A member on extended leave of absence pursuant to section 2 of this article pursuant to who does not pay employee contributions into the fund in any year shall be deemed to cease to render teaching services beginning in that year for purposes of chapter 354A and the bylaws of the retirement association. If a member who paid employee contributions into the fund for five years while on extended leave does not resume teaching in the sixth school year after the beginning of his extended leave, he shall be deemed to cease to render teaching services beginning in that year for purposes of chapter 354A and the bylaws of the retirement association. The provisions of this section shall not apply to a teacher who is discharged pursuant to section 125.17 while he is on an extended leave of absence pursuant to section 2 of this article.

Sec. 21. Minnesota Statutes 1976, Chapter 354A, is amended by adding a section to read:

[354A.22] [QUALIFIED PART TIME TEACHERS; PARTICIPATION IN FUND.] *Subdivision 1.* A teacher in the public schools of a city of the first class who has 20 years or more of allowable service may, by agreement with the board of the employing district, be assigned to teaching service within the district in a part time teaching position.

Subd. 2. For purposes of this section, a part time teaching position shall mean a teaching position within the district in which the teacher is employed for at least 50 full days or a fractional equivalent thereof as prescribed in the appropriate bylaws of the retirement associations covered by chapter 354A, and for which the teacher is compensated at a rate not exceeding 60 percent of the compensation established by the board for a full time teacher of identical education and experience within the district.

Subd. 3. Notwithstanding any provision of chapter 354A or the bylaws of an association relating to salary for contribution purposes or accrual of service credit to the contrary, employee and employer contribution to the fund, including the state's obligation pursuant to section 354A.12, and accrual of allowable ser-

vice credit toward retirement pursuant to chapter 354A shall be continued during the period of part time employment pursuant to this section upon the same basis and in the same amounts as would be payable or accrued were the teacher to have been employed on a full time basis. A teacher's contributions to the fund and accrual of allowable service credit during part time employment may not be continued pursuant to this subdivision for a period longer than 10 years.

Subd. 4. A board entering into an agreement authorized by this section shall take all steps necessary to assure continuance of any insurance programs furnished or authorized a full time teacher on an identical basis and with identical sharing of costs for a part time teacher pursuant to this section.

Subd. 5. Only teachers who are in the bargaining unit as defined in section 179.63, subdivision 17, during the year preceding the period of part time employment pursuant to this section shall qualify for the continuation of contributions and accrual of service credit pursuant to subdivision 3. This section shall not apply to superintendents, principals, assistant principals or other supervisory employees as defined in section 179.63, subdivision 9. Notwithstanding the provisions of section 179.63, subdivision 7, clauses (e) and (f), teachers who are employed on a part time basis for purposes of this section and who would therefore be disqualified from the bargaining unit by one or both of those provisions, shall continue to be in the bargaining unit during the period of part time employment pursuant to this section for purposes of compensation, fringe benefits and the grievance procedure.

Sec. 22. Minnesota Statutes 1976, Section 475.61, Subdivision 4, is amended to read:

Subd. 4. All such taxes shall be collected and remitted to the municipality by the county treasurer as other taxes are collected and remitted, and shall be used only for payment of the obligations on account of which levied or to repay advances from other funds used for such payments, except that any surplus remaining in the debt service fund when the obligations and interest thereon are paid may be appropriated to any other general purpose by (THE) any municipality excluding school districts. The amount of any surplus so appropriated by school districts shall reduce the levy limitation authorized pursuant to section 275.125, subdivision 2a.

Sec. 23. [POWER EQUALIZED AID FOR DECLINING ENROLLMENT.] *Subdivision 1. Each year, beginning in 1978-1979, the state shall pay each district where the actual number of pupil units has decreased from the prior year by one percent or more, an amount equal to (a) the ratio of the decline in the number of actual pupil units in the district between the prior and the current year to the number of actual pupil units in the*

district in the prior year, times the number of actual pupil units in the district in the current year, times two, times the quotient resulting when the current year's foundation aid formula allowance is divided by the maximum number of mills permitted to be levied pursuant to section 275.125, subdivision 2a for collection in the calendar year ending in the current fiscal year, less (b) the amount the district is authorized to levy pursuant to section 24 of this article for collection in the calendar year ending in the current fiscal year.

Subd. 2. The department may calculate this aid on the basis of estimated enrollment figures. Adjustments shall be made as final enrollment figures become available, but no adjustments shall be made later than December 15 following the current school year.

Subd. 3. Districts levying less than the amount authorized in section 24 of this article in any year shall receive aid pursuant to this section equal to the amount of aid authorized in subdivision 1, multiplied by the ratio of the district's actual levy to its authorized levy pursuant to section 24 of this article for collection in the calendar year ending in the current fiscal year.

Sec. 24. Minnesota Statutes 1976, Section 275.125, is amended by adding a subdivision to read:

Subd. 7a. (1) Beginning with levies certified in October 1977, each district which the department of education estimates will experience a decline in actual pupil units of one percent or more between the current and the succeeding year may levy an additional amount equal to .002 times the ratio of the estimated decline in actual pupil units between the current and succeeding year to the number of actual pupil units in the district in the current year, times the most recent adjusted assessed valuation of the district.

(2) The department shall calculate the amount of this permissible levy on the basis of estimated pupil counts. Adjustments shall be made as provided in subdivision 18.

(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) and (2).

Sec. 25. [APPROPRIATION; POWER EQUALIZED AID FOR DECLINING ENROLLMENT.] *There is appropriated from the general fund to the department of education the sum of \$1,200,000 for the year ending June 30, 1979, for the purpose of paying power-equalized aid for declining enrollment pursuant to section 23 of this article. If this appropriation amount for this purpose is insufficient, the aid shall be prorated among all qualifying districts and the state shall not be obligated for any amount in excess of the appropriation in this section for this purpose.*

Sec. 26. [APPROPRIATION; PART-TIME TEACHERS' RETIREMENT.] *To meet the state's obligation prescribed in sections 18 and 21 of this article, there is appropriated from the general fund in the state treasury to the commissioner of finance the sum of \$2,500,000 for the fiscal year ending June 30, 1978, and the sum of \$2,500,000 for the fiscal year ending June 30, 1979.*

(a) Any unexpended balance remaining from the appropriation in this section for fiscal year 1978 shall not cancel but shall be available for the second year of the biennium. None of the amounts appropriated in this section shall be expended for a purpose other than the purpose indicated. If the appropriation amount attributable to either year for the purpose indicated is insufficient, the state shall not be obligated for any amount in excess of the appropriation in this section for this purpose.

(b) Notwithstanding the provisions of sections 354.43 and 354A.12, the state's obligation prescribed in sections 18 and 21 of this article shall not be financed out of standing appropriations for the state's obligations pursuant to chapter 354 or 354A.

(c) In cooperation with the boards of trustees of the affected retirement fund associations, the commissioner of finance shall provide for the equitable allocation of the amounts appropriated in this section among districts seeking the benefits of sections 18 and 21 of this article."

Further, delete the title and insert:

"A bill for an act relating to the operation of government; providing for aids to education, tax levies, and the distribution of tax revenues; providing additional aids and levies for school districts with declining enrollment; eliminating foundation aid for summer programs for non-handicapped children; changing the method of distributing the agricultural tax credit; eliminating state aid for community education; establishing formulas for current funding of adult and secondary vocational education; creating a legislative school finance study commission; providing special retirement privileges for experienced teachers who teach part time or take an extended leave of absence; appropriating money; amending Minnesota Statutes 1976, Sections 120.10, Subdivision 1; 120.17, Subdivisions 1a and 5a; 121.11, Subdivision 5; 121.902; 121.914, Subdivisions 1, 2, 3 and 4; 121.917, Subdivisions 1 and 2; 123.335, Subdivision 2; 123.39, Subdivision 5; 123.351, Subdivision 5; 123.581, Subdivisions 1, 2, 3 and 6; 123.71, Subdivisions 1 and 2; 123.742, Subdivision 1; 124.11; 124.14, Subdivision 1; 124.17, Subdivisions 1, 2, and by adding a subdivision; 124.19, Subdivision 1; 124.20; 124.212, Subdivisions 1, 3a, 6b, 7b and 8a, and by adding a subdivision; 124.213; 124.222, Subdivisions 1a, 1b, 2a, 3, 6, and by adding a subdivision; 124.223; 124.26, Subdivisions 1 and 4; 124.271, Subdivi-

sions 2 and 5; 124.30, Subdivision 5; 124.32; 124.38, Subdivision 7; 124.562, Subdivision 1; 124.565, Subdivisions 1 and 3; 124.57; 124.572; 124.573; 128A.02, Subdivisions 2 and 3; 128A.06; 273.132; 273.138, Subdivision 3; 275.125, Subdivisions 2a, 8, 9, 9a, 13, and by adding a subdivision; and 475.61, Subdivision 4; amending Minnesota Statutes 1976, Chapter 354, by adding sections and Chapter 354A, by adding sections; amending Laws 1967, Chapter 822, Section 7, as amended; Laws 1969, Chapter 775, Section 4, Subdivision 2, as amended; Laws 1969, Chapter 1060, Section 7, as amended; and Laws 1976, Chapter 271, Section 94; repealing Minnesota Statutes 1976, Sections 124.215, Subdivision 2a; 124.222, Subdivisions 4 and 5; 124.25; 124.271, Subdivisions 1, 2, 3, 4 and 5; 124.30; 124.562, Subdivision 6; 124.563, Subdivision 4; 124.565, Subdivision 2; 124.57, Subdivisions 1 and 3, as added; 473.633; and 473.635.”

With the recommendation that when so amended the bill pass and re-referred to the Committee on Appropriations.

The report was adopted.

Johnson from the Committee on Education to which was referred:

H. F. No. 1287, A bill for an act relating to education; revising provisions prescribing duties of school districts and the state department of education; correcting outdated definitions and references; changing certain levy authority; altering the foundation aid computation in certain cases; and providing school lunch aid; amending Minnesota Statutes 1976, Sections 6.62, Subdivision 1; 121.02, Subdivision 1; 123.34, Subdivisions 4 and 8; 123.68; 124.212, by adding a subdivision; 124.66; 127.25, Subdivisions 1 and 2, and by adding a subdivision; 134.03; 275.09, Subdivision 4; 275.125, Subdivisions 4, 15 and 16; Chapters 123, by adding a section; and 124, by adding a section; repealing Minnesota Statutes 1976, Sections 120.02, Subdivisions 11 and 18; 121.11, Subdivision 3; 122.34; 123.14; 123.17; 123.18; 123.20; 124.215, Subdivisions 3, 4, 5, 6, 7 and 8; 124.23; 126.021; 126.022; 126.024; 128.01; 128.02; 128.03; 128.04; 128.05; 128.06; 129.06; 129.07; 129.08; and 129.09.

Reported the same back with the following amendments:

Page 3, line 21, delete “he” and insert “the clerk”.

Page 4, line 25, strike “Any school district classified”.

Page 4, line 26, strike “as a county school district July 1, 1957,” and insert “School districts numbers 166 and 381”.

Page 5, lines 5 to 7, delete the new language and insert:

“Subd. 3. In school district number 166, each county commissioner district, as it from time to time exists, shall constitute an

election district from which one member of the board shall be elected. In school district number 381, the election districts shall be as follows: Two Harbors, from which two members of the board shall be elected at large; Silver Bay, from which two members of the board shall be elected at large; the southern part of Lake county excluding Two Harbors, from which one member of the board shall be elected; the northern part of Lake county excluding Silver Bay, from which one member of the board shall be elected; and St. Louis county, from which one board member shall be elected. The board of school district number 381 for purposes of this subdivision shall designate a southern and northern part of Lake county."

Page 12, line 31, after "128.06;" insert "128.069;"

Amend the title as follows:

Line 20, after "128.06;" insert "128.069;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Sieben, H., from the Committee on Governmental Operations to which was referred:

H. F. No. 492, A bill for an act relating to the city of Winona; placing the chief of police under the public employees police and fire fund.

Reported the same back with the following amendments:

Page 1, line 16, after "353.65" insert ", had the person been a member of the public employees police and fire fund from the commencement of his employment with the police department of the city of Winona, plus interest at the rate of six percent per annum compounded annually from the year the payment would otherwise have been made to the year the payment is made,"

Page 1, line 16, delete "transferred" and insert "paid".

Page 1, line 18, after the period insert "upon the receipt of the payments required under this act".

Page 1, line 18, after the period add the following "An amount equal to the employer contributions plus interest as herein specified shall be transferred from the Winona policemen's relief association to the public employees police and fire fund. An amount equal to the employee contributions plus interest as herein specified shall be paid by the chief of police to the public employees police and fire fund. The chief of police shall be en-

titled to receive, upon making written application, a refund of his accumulated contributions to the Winona policemen's relief association plus interest at the rate actually received by the relief association as determined by the board of trustees of the relief association."

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Sieben, H., from the Committee on Governmental Operations to which was referred:

H. F. No. 902, A bill for an act relating to state finance; authorizing payments pursuant to grievance resolutions; amending Minnesota Statutes 1976, Section 16A.17, Subdivision 7.

Reported the same back with the following amendments:

Page 1, line 17, delete "*as provided in*".

Page 1, delete all of line 18.

Page 1, line 19, delete "*subdivision 5,*" and insert "*through the formal steps of a grievance procedure established by law or collective bargaining agreement*".

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Sieben, H., from the Committee on Governmental Operations to which was referred:

H. F. No. 1038, A bill for an act relating to state lands; authorizing the commissioner of natural resources to convey the interests of the state in certain lands in Houston county.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Sieben, H., from the Committee on Governmental Operations to which was referred:

H. F. No. 1048, A bill for an act relating to libraries; requiring distribution of certain state publications to county and regional libraries; amending Minnesota Statutes 1976, Sections 15.051,

Subdivision 4; 15.047, Subdivision 2; and 648.39, by adding a subdivision.

Reported the same back with the following amendments:

Page 2, line 13, delete "and each".

Page 2, delete line 14 to the period and insert "*or 134.12, except in counties containing cities of the first class. If a county has not established a county library pursuant to section 375.33 or 134.12, the copies shall be provided to a public library designated by the county board after consultation with the regional library, if any, established pursuant to section 375.335 for the region in which the county is located*".

Page 2, line 17, before "Rules" insert "*Copies of*".

Page 2, line 17, strike "and regulations".

Page 2, line 20, delete "*supply*" and insert "*provide*".

Page 2, delete line 23.

Page 2, delete line 24 to the period and insert "*or 134.12, except in counties containing cities of the first class. If a county has not established a county library pursuant to section 375.33 or 134.12, the copies shall be provided to a public library designated by the county board after consultation with the regional library, if any, established pursuant to section 375.335 for the region in which the county is located.*".

Page 2, line 27, delete "*distribute*" and insert "*provide*".

Page 2, delete line 31.

Page 2, delete line 32 to the period and insert "*or 134.12, except in counties containing cities of the first class. If a county has not established a county library pursuant to section 375.33 or 134.12, the copies shall be provided to a public library designated by the county board after consultation with the regional library, if any, established pursuant to section 375.335 for the region in which the county is located.*

Sec. 4. *There is appropriated to the commissioner of administration \$_____ and to the revisor of statutes \$_____ from the general fund for the biennium ending June 30, 1979 to effectuate the purposes of this act*".

Amend the title as follows:

Page 1, line 3, delete "and regional".

Page 1, line 4, after the semicolon, insert "appropriating money;"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Sieben, H., from the Committee on Governmental Operations to which was referred:

H. F. No. 1099, A bill for an act relating to the city of Excelsior; proportionate service pensions and financing requirements of the firemen's relief association.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Sieben, H., from the Committee on Governmental Operations to which was referred:

H. F. No. 1101, A bill for an act authorizing the state office of hearing examiners to issue subpoenas and contract for court reporter services; amending Minnesota Statutes 1976, Section 15.052, Subdivisions 4 and 5.

Reported the same back with the following amendments:

Page 2, line 4, delete "*its or*".

Page 2, line 6, delete "*office of hearing examiners or the*" and insert "*chief*".

Page 2, line 7, delete "*before whom a hearing is held*".

With the recommendation that when so amended the bill pass.

The report was adopted.

Sieben, H., from the Committee on Governmental Operations to which was referred:

H. F. No. 1102, A bill for an act relating to state agencies; purchasing and furnishing goods and services; amending Minnesota Statutes 1976, Sections 16.02, Subdivisions 2, 13, 16, 19, and by adding a subdivision; 16.07, Subdivision 8, and by adding a subdivision; 16.72, Subdivision 2; 16.75, Subdivision 7; 16.80, Subdivision 1; and 327.51, Subdivisions 1 and 3, and by adding a subdivision.

Reported the same back with the following amendments:

Page 1, after line 11, insert new sections:

“Section 1. Minnesota Statutes 1976, Section 15.047, Subdivision 1, is amended to read:

15.047 [MANUAL OF STATE AGENCY RULES, PUBLICATION.] Subdivision 1. The commissioner of administration shall publish a manual of state agency rules, which shall include all agency rules currently in effect. The manual shall be so designed as to allow for economic publication and distribution and efficient use. *The commissioner shall require each agency which has adopted and published rules in the state register to pay its proportionate cost of publishing those rules in the manual.*

Sec. 2. Minnesota Statutes 1976, Chapter 16, is amended by adding a section to read:

[16.015] [REGIONAL SERVICE CENTERS FOR STATE AGENCIES; COMMISSIONER OF ADMINISTRATION, LEASING AUTHORITY.] *Subdivision 1. The commissioner of administration may establish regional service centers for selected state agencies. The state planning agency shall cooperate with the commissioner in establishing the need and location of the service centers. The commissioner shall determine which state agencies shall be included in the service centers. The commissioner may determine equitable methods of sharing space, personnel and equipment for the agencies he selects to participate in the service centers.*

Subd. 2. The commissioner may enter into a rental lease for a base term of five years with a five year leasehold renewal option for the purpose of acquiring suitable space for the service centers.

Subd. 3. The commissioner shall submit a report to the legislature on the progress of the service centers program not later than January 1 of each year.”.

Page 4, line 9, delete “*In recognition of the complex and unique*”.

Page 4, delete all of line 10.

Page 4, line 25, delete “*issued*” and insert “*provided upon request*”.

Page 4, line 25, delete “*and*”.

Page 4, delete line 26.

Page 4, line 27, delete "administration".

Page 8, after line 25, insert a new section as follows:

"Sec. 16. Minnesota Statutes 1976, Section 238.04, Subdivision 2, is amended to read:

Subd. 2. *Each member shall be appointed by the governor, by and with the advice and consent of the senate. No more than four members shall be from the same political party.*"

Renumber the sections in sequence.

Amend the title as follows:

Page 1, line 4, before "Sections" insert "Chapter 16, by adding a section;"

Page 1, line 4, after "Sections" insert "15.047, Subdivision 1;"

Page 1, line 8, after "Subdivision 1;" insert "238.04, Subdivision 2;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Sieben, H., from the Committee on Governmental Operations to which was referred:

H. F. No. 1155, A bill for an act relating to the revisor of statutes; providing for engrossing and enrolling duties; clarifying disclosure of bill drafting records; amending Minnesota Statutes 1976, Sections 482.09; and 482.12, Subdivision 1.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Sieben, H., from the Committee on Governmental Operations to which was referred:

H. F. No. 1223, A bill for an act relating to administrative procedures; providing for notice and hearing in various administrative decisions; amending Minnesota Statutes 1976, Sections 10A.20, Subdivision 10; 17A.06, Subdivisions 2 and 3; 27.06; 53.03, Subdivisions 1 and 2; 144.802; 155.11, Subdivisions 1 and 2; 216A.05, Subdivision 5; 218.041, Subdivision 3; 219.46, Sub-

division 7; 219.47; and 219.741; repealing Minnesota Statutes 1976, Section 53.03, Subdivision 3.

Reported the same back with the following amendments:

Page 6, line 21, delete "*in the state register and*".

Page 6, lines 29, 30 and 31, delete the new language.

Page 7, line 2, delete "*the certificate of*".

Page 7, line 3, delete "*authorization shall be granted or denied only after*".

Page 7, line 4, delete "*has been*" and insert "*shall be*".

Page 7, line 5, delete "*If a timely objection is not received and the*".

Page 7, delete lines 6 to 9 and insert "*The department of commerce may without cause order a contested case hearing on the application. Any hearing in connection with this section shall be published once in the form prescribed by the department of commerce, at the expense of the applicant, in the same manner as a notice of application.*".

Page 8, after line 4, insert a new section:

"Sec. 7. Minnesota Statutes 1976, Section 53.03, Subdivision 3, is amended to read:

Subd. 3. [GRANT, OR DENIAL; CERTIFICATE.] If the application be granted *without hearing* the department of commerce shall, not later than (30) 60 days after (SUCH HEARING) *the notice of application has been fully published*, issue a certificate authorizing the corporation to transact business as an industrial loan and thrift company as provided in this chapter. If the application be denied *without hearing* the department of commerce shall, not later than (30) 60 days after (SUCH HEARING) *the notice of application has been fully published*, notify the corporation of the denial *and the reasons for the denial. The applicant may request within 30 days of receiving such notice of denial, and shall be granted, a contested case hearing on the application which shall then be conducted as if no order of denial had been issued. If the application be granted after a hearing the department of commerce shall, not later than 30 days after a hearing, issue a certificate authorizing the corporation to transact business as an industrial loan and thrift company as provided in this chapter. If the application be denied after a hearing the department of commerce shall, not later than 30 days after a hearing, notify the corporation of the denial*".

Page 8, line 18, strike "at a public".

Page 8, line 19, strike "hearing" and insert "*pursuant to the provisions of section 144.802, subdivision 2,*".

Page 9, line 4, delete "*and the certificate is*".

Page 9, delete lines 5 to 6.

Page 9, line 7, delete everything before the period and insert "*the board may grant or deny the requested license based upon the information contained in the license application. If licensure is denied without hearing, the applicant, within 30 days after receiving notice of denial, may request and shall be granted a contested case hearing upon the application, at which hearing all issues will be heard de novo*".

Page 12, line 5, after "*objection*" insert "*and a notice of intent to appear at a hearing to object*".

Page 12, line 9, after "*petition*" insert "*, unless the objection is withdrawn prior to the hearing*".

Pages 14 and 15, delete sections 12 and 13.

Renumber the sections in sequence.

Further amend the title:

Line 6, after "1" insert ", 2".

Line 7, delete the first "2" and insert "3".

Line 9, delete "219.46, Subdivision 7; 219.47;".

With the recommendation that when so amended the bill pass.

The report was adopted.

Sieben, H., from the Committee on Governmental Operations to which was referred:

H. F. No. 1259, A bill for an act relating to the city of Savage; firemen's service pensions.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Sieben, H., from the Committee on Governmental Operations to which was referred:

H. F. No. 1305, A bill for an act relating to Minnesota Statutes; providing for the correction of erroneous, ambiguous, omitted and obsolete references and text; reenacting a law; eliminating certain duplicitous and conflicting provisions superseded by or conflicting with other provisions of law; amending Minnesota Statutes 1976, Chapter 15, by adding a section; Sections 3.973; 4.12, Subdivision 2; 10.13; 15.55; 16A.129; 33.13; 38.02, Subdivision 2; 38.13; 41.57, Subdivision 1; 43.051, Subdivisions 1 and 2; 55.095; 83.26, Subdivision 3; 116.36, Subdivision 1; 116A.20, Subdivision 6; 121.02, Subdivision 1; 121.11, Subdivision 5; 125.05, Subdivision 3; 144.01, Subdivision 1; 144A.19, by adding a subdivision; 161.14, Subdivision 19; 168.013, Subdivision 17; 168.12, Subdivision 1; 168.27, Subdivision 22; 176.101, Subdivision 3; 179.65, Subdivision 2; 192.551; 193.149; 202A.25, Subdivision 1; 207.19, Subdivision 1; 222.50, Subdivision 5; 246.02, Subdivision 2; 252.24, Subdivision 1; 256B.04, Subdivisions 10 and 11; 260.171, Subdivision 6; 270.50; 273.13, Subdivisions 6 and 7; 297.13, Subdivision 1; 336.9-104; 336.9-105; 336.9-404; 336.9-501; 340.039; 353.01, Subdivisions 2a and 6; 355.30; 375.18, Subdivision 8; 458.19; 462.364; 462A.04, Subdivision 1; 462A.22, Subdivision 10; 465.58; 485.01; 549.06; 609.556, Subdivision 1; and 645.44, Subdivision 5a; reenacting Laws 1976, Chapter 127; repealing Minnesota Statutes 1976, Sections 15.055; 17B.22, Subdivision 3; 43.37; 136A.02, Subdivision 2; 144.952; 169.132; Laws 1971, Chapter 427, Section 17; Laws 1974, Chapters 22, Section 5; and 256.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Sieben, H., from the Committee on Governmental Operations to which was referred:

S. F. No. 72, A bill for an act relating to natural resources; authorizing the conveyance by the state of certain lands known as Battle Point to Todd county; amending Minnesota Statutes 1976, Section 84.163.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Fugina from the Committee on Higher Education to which was referred:

H. F. No. 1161, A bill for an act relating to education; correcting and eliminating certain erroneous and obsolete references

and text relating to state universities and community colleges; amending Minnesota Statutes 1976, Sections 136.016, Subdivision 1; 136.60, Subdivision 1, and by adding a subdivision; 136.-603; 136.62; 136.621, Subdivision 1; repealing Minnesota Statutes 1976, Sections 136.016, Subdivisions 2, 3, 4, 5 and 6; 136.60, Subdivision 2; 136.601; 136.602; 136.621, Subdivisions 2 and 3; and 136.66.

Reported the same back with the following amendments:

Page 1, delete section 1.

Page 2, line 7, after "Subd. 3." delete the remainder of the line.

Page 2, delete lines 8 to 25.

Page 2, line 26, delete everything before the period and insert "*The community colleges shall be located at Coon Rapids, Austin, Brainerd, Fergus Falls, Hibbing, Inver Grove Heights, Grand Rapids, White Bear Lake, Virginia, Minneapolis, Bloomington, Brooklyn Park, Thief River Falls, International Falls, Rochester, Ely, Willmar and Worthington.*".

Page 3, line 4, after "136.62," insert "Subdivision 1,".

Page 3, after line 12 insert:

"Sec. 5. Minnesota Statutes 1976, Section 136.62, Subdivision 2, is amended to read:".

Page 3, delete lines 17 to 30.

Page 3, before line 31 insert:

"Sec. 6. Minnesota Statutes 1976, Section 136.62, Subdivision 4, is amended to read:".

Page 4, strike lines 7 to 19.

Page 4, line 20, strike "state board for community colleges".

Page 4, strike lines 22 to 28.

Page 4, delete lines 29 to 32.

Page 5, delete line 1.

Page 5, line 10, delete "*, Subdivisions 2, 3, 4, 5, and 6*".

Page 5, line 11, after "136.602;" insert "136.62, Subdivision 3;".

Renumber the sections accordingly.

Further amend the title as follows:

Page 1, line 6, delete "136.016, Subdivision 1;"

Page 1, line 8, after "136.62" insert ", Subdivisions 1, 2 and 4".

Page 1, line 9, delete the second comma.

Page 1, line 10, delete "Subdivisions 2, 3, 4, 5 and 6".

Page 1, line 11, after "136.602;" insert "136.62, Subdivision 3;"

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Fugina from the Committee on Higher Education to which was referred:

H. F. No. 1371, A bill for an act relating to education; higher education coordinating board; work-study program; authorizing work-study students to perform personal services for senior citizens; amending Minnesota Statutes 1976, Section 136A.233, Subdivision 2.

Reported the same back with the following amendments:

Page 2, delete new language on lines 20 to 22.

Page 2, strike lines 23 to 26 and insert:

"(f) Each post-secondary institution receiving funds for state work-study grants shall make a reasonable effort to place work-study students in employment with eligible employers outside the institution."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Enebo from the Committee on Labor-Management Relations to which was referred:

H. F. No. 1162, A bill for an act relating to labor; providing for extended benefits similar to unemployment compensation benefits to certain workers; providing for tuition subsidies; providing an appropriation.

Reported the same back with the following amendments:

Page 1, line 12, delete "unemployment" and insert "employment".

Page 1, line 18, after "caused" insert "and the individual has exhausted all entitlement to unemployment insurance or any similar program or is ineligible due to lack of availability for work or lack of active search of work because of being enrolled or scheduled to be enrolled in a training course, then".

Page 2, line 3, delete "employment services" and insert "education or accredited by a recognized accreditation organization".

Page 2, line 3, delete "two".

Page 2, line 4, delete "calendar years" and insert "24 academic months".

Page 2, line 6 after the period insert "This subsidy may be provided to an individual undergoing training in a work study program or other training approved pursuant to rules adopted by the department of employment services in subdivision 5."

Page 2, line 20, delete "graduation" and insert "completion".

Page 3, line 3, after the period insert "Rules adopted shall be consistent with the legislative guidelines of this subdivision. These guidelines are: (1) the federal, state or local government law, rule or action shall refer to a consumable natural resource; or (2) the federal, state or local government law, rule or action shall refer to a specific industry or occupation; or (3) the federal, state or local government law shall propose certain specific limits on production, distribution or consumption of a natural resource, product, process or service.

Subd. 6. The total entitlement of any individual under this act shall be offset by the amount of benefits for which that person may be otherwise eligible for and entitled to receive from any source of public funds."

Page 3, line 4, delete "There is appropriated to the".

Page 3, delete lines 5, 6 and 7 and insert "There is established a contingency fund in the amount of \$2,000,000 to carry out the purposes of this act. When the commissioner of employment services determines the amount of funds remaining available would allow for three months or less of additional weekly payments, tuition rebates or relocation expenses based on past performance or predicted performance based on current enrollees or known future shutdowns, the department of employment services shall certify the above facts to the legislative advisory council which shall make an emergency appropriation to allow continuation of payments under this act."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Berg from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 217, A bill for an act relating to St. Cloud; St. Cloud metropolitan transit commission; authorizing the inclusion of parts of municipalities in the transit area; amending Laws 1969, Chapter 1134, Section 2, Subdivision 1.

Reported the same back with the following amendments:

Page 2, line 4, delete "*or part of a municipality*".

Page 2, line 5, delete "*or included area*".

With the recommendation that when so amended the bill pass.

The report was adopted.

Berg from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 522, A bill for an act relating to energy; extending the application of the state building code to all cities and counties; clarifying state agency rulemaking regarding the building code subject matter; extending and clarifying the expiration of the Minnesota energy agency; requiring promulgation of certain energy conservation standards; revising certain requirements; requiring certain efficiencies for air conditioners; prohibiting certain open flame pilot lights; appropriating money; amending Minnesota Statutes 1976, Sections 16.84; 16.851; 16.86, Subdivision 4; 16.861, Subdivision 4; 116H.02, Subdivision 5; 116H.07, Subdivision 1, and by adding a subdivision; 116H.12, Subdivisions 5 and 10, and by adding subdivisions; 116H.121; 116H.124; 116H.126; 116H.13, Subdivision 4; 126.111; and Chapter 116H, by adding sections; repealing Laws 1974, Chapter 307, Section 19.

Reported the same back with the following amendments:

Page 3, line 11, delete "*1978*" and insert "*1979*".

Page 4, line 26, delete "*January 1, 1978*" and insert "*November 1, 1977*".

Page 12, line 19, after "*a*" insert "*commercial*".

Page 16, line 31, delete "4" and insert "5".

Page 16, line 31, delete "16" and insert "17".

Page 17, line 1, delete "8" and insert "9".

Page 17, line 11, delete "18" and insert "19".

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Berg from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 577, A bill for an act relating to the city of St. Paul; authorizing an on-sale liquor license for the St. Paul Labor Centre, Inc.

Reported the same back with the following amendments:

Page 1, line 14, after the period insert "The license herein authorized is for the exclusive use of the St. Paul Labor Centre, Inc., and shall not be used by any other person, corporation or organization."

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Berg from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 646, A bill for an act relating to the establishment of parks, playgrounds and scenic areas by the county of Anoka; amending Laws 1961, Chapter 209, Sections 1 and 2.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Berg from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 697, A bill for an act relating to the city of Minneapolis; authorizing a rehabilitation loan program for small and medium sized commercial buildings; and providing for the

issuance and security of limited general obligation and revenue bonds to finance the program.

Reported the same back with the following amendments:

Page 3, line 22, before "agency" insert "nonprofit".

Page 4, line 1, after "obligation" insert "bonds".

Page 4, line 2, after "bonds" insert "or obligations".

Page 4, line 5, after "bonds" and before "may" insert "or obligations".

Page 4, line 10, after "bonds" insert "or obligations".

Page 4, line 19, after "obligation" insert "bonds".

Page 4, line 19, after "bonds" insert "or obligations".

Page 4, line 22, after "bonds" insert "or obligations".

Page 4, line 27, after "bonds" insert "or obligations".

Page 4, after line 27, insert the following:

"Subd. 4. [AUTHORITY.] In the making or purchase of loans or other securities in furtherance of the program authorized by this act, and in the issuance of revenue bonds or other obligations the city of Minneapolis may exercise, or may by ordinance authorize an existing agency or an agency created by such ordinance to exercise, within the corporate limits of the city, any and all of the same powers as the Minnesota housing finance agency is authorized to exercise under the provisions of Minnesota Statutes, Chapter 462A.

Subd. 5. [ADDITIONAL SECURITY FOR BONDS.] The city council shall not amend the regulations adopted by ordinance and in effect at the time any bonds or obligations authorized by this act are issued, to the detriment of the holder of such bonds or obligations."

With the recommendation that when so amended the bill pass.

The report was adopted.

Berg from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1119, A bill for an act relating to Ramsey county; providing for additional membership on its civil service commis-

sion; further prescribing and clarifying the duties of the commission; eliminating per diem payments for library board members; amending Laws 1974, Chapter 435, Section 3.02; repealing Laws 1974, Chapter 435, Section 1.0208.

Reported the same back with the following amendments:

Page 5, line 6, after "*year*" insert "*determined by rule for each class or group of classes*".

With the recommendation that when so amended the bill pass.

The report was adopted.

Fudro from the Committee on Transportation to which was referred:

H. F. No. 869, A bill for an act relating to motor vehicles; registration and taxation; fees for filing applications; appointment and duties of deputy registrars; amending Minnesota Statutes 1976, Section 168.33, Subdivisions 2 and 7.

Reported the same back with following amendments:

Amend the title as follows:

Line 3, delete "filng" and insert "filing".

With the recommendation that when so amended the bill pass.

The report was adopted.

Fudro from the Committee on Transportation to which was referred:

H. F. No. 950, A bill for an act relating to highway safety; providing state reimbursement for safety education and driver training courses; imposing a tax; appropriating money.

Reported the same back with the following amendments:

Page 1, line 10, after "district" insert ", and in the nonpublic schools as defined in section 123.932, subdivision 3, located in the district,".

Page 1, line 10, delete "which shall be devised".

Page 1, line 11, delete "by the state board of education".

Page 1, delete lines 18 to 21.

Page 1, line 22, delete "education; (b)".

Page 2, line 4, delete "(c)" and insert "(b)".

Page 2, line 6, delete "(d)" and insert "(c)".

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Education.

The report was adopted.

Fudro from the Committee on Transportation to which was referred:

H. F. No. 1130, A bill for an act relating to motor vehicle carriers; requiring insurance or bond before the issuance of a certificate or permit to a motor carrier; providing for suspension and revocation of certificate or permit for failure to maintain insurance or other security; amending Minnesota Statutes 1976, Section 221.141, Subdivision 1.

Reported the same back with the following amendments:

Page 2, line 20, delete "*not been*" and insert "*willfully failed to be*".

Page 2, after line 21, insert:

"Sec. 2. Minnesota Statutes 1976, Section 221.64, is amended to read:

221.64 [REGISTRATION FEE; EXEMPTIONS.] Such registration as herein provided shall be granted upon petition, without hearing, upon payment of an initial filing fee in the amount of \$25. Upon petition, and payment of said fee if applicable, the commissioner shall furnish to the registration holder a distinguishing identification stamp for each motor vehicle included in said registration which stamp shall at all times be carried in the registered vehicle of the registration holder. For each identification stamp issued, the commissioner shall *establish and* collect a fee of *no more than* \$5 to be deposited in the state treasury, provided that a lesser fee may be collected pursuant to the terms of reciprocal agreements between the commissioner and the regulatory bodies of other states or provinces of the dominion of Canada."

Amend the title as follows:

Line 7, after "security;" insert "registration fee exemptions;"

Line 8, delete "Section" and insert "Sections".

Line 8, before the period insert "; and 221.64".

With the recommendation that when so amended the bill pass.

The report was adopted.

Fudro from the Committee on Transportation to which was referred:

H. F. No. 1469, A bill for an act relating to transportation; extending the time for submission by the commissioner of certain proposals relating to certain modes of transportation; amending Minnesota Statutes 1976, Section 174.06, Subdivision 7.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Fudro from the Committee on Transportation to which was referred:

H. F. No. 1471, A bill for an act relating to aeronautics; requiring boards of adjustment to grant or deny applications for zoning variances within six months; authorizing the commissioner of transportation to develop an air transportation system; amending Minnesota Statutes 1976, Section 360.015, Subdivision 14; 360.017, Subdivision 1; and 360.067, Subdivision 2.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Fudro from the Committee on Transportation to which was referred:

S. F. No. 108, A bill for an act relating to highway traffic regulations; specifying minimum property damage accident report requirements; amending Minnesota Statutes 1976, Section 169.09, Subdivision 7.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 1500, 1510, 1386, 1443, 721, 1015, 287, 343, 801, 1287, 492, 902, 1038, 1099, 1101, 1102, 1155, 1223, 1259, 1305, 1161, 217, 577, 646, 697, 1119, 869, 1130, 1469 and 1471 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 32, 72 and 108 were read for the second time.

INTRODUCTION AND FIRST READING
OF HOUSE BILLS

The following House Files were introduced:

Lemke and Jensen introduced:

H. F. No. 1511, A bill for an act relating to real estate; eliminating a provision requiring the county recorder to prepare a list of certain mortgages on real estate in the county; repealing Minnesota Statutes 1976, Section 272.18.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

Lemke and Jensen introduced:

H. F. No. 1512, A bill for an act relating to real estate; removing specific charge for copies of instrument filed with registrar; amending Minnesota Statutes 1976, Section 508.38.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

Biersdorf, Sarna, Adams, Reding and Nelsen, B., introduced:

H. F. No. 1513, A bill for an act relating to contracts; distributing partial payments to construction subcontractors.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

Lemke and Jensen introduced:

H. F. No. 1514, A bill for an act relating to taxation; eliminating duty of county recorder to list judgments affecting real estate titles; eliminating payment to county recorder for making lists; amending Minnesota Statutes 1976, Section 272.17.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

Arlandson; Sieben, M.; Moe; Nelson and Albrecht introduced:

H. F. No. 1515, A bill for an act relating to highway traffic regulations; driving under the influence of alcohol, drugs and controlled substances; chemical tests for intoxication, and consent therefor; providing for immediate notice of revocation of a driver license or permit, retention of the license or permit by a court or peace officer and the substitution of temporary permits under certain circumstances; providing for county court jurisdiction over prosecution for certain offenses; prescribing penalties; amending Minnesota Statutes 1976, Sections 169.121; 169.123; 169.127, by adding a subdivision; and Chapter 169, by adding sections; repealing Minnesota Statutes 1976, Section 171.245.

The bill was read for the first time and referred to the Committee on Criminal Justice.

Heinitz introduced:

H. F. No. 1516, A bill for an act relating to crimes and corrections; sentencing and post conviction disposition of criminal offenders; providing for the imposition of presumptive terms of imprisonment; providing for hearings to be held by the sentencing court on early release or continued retention of criminal offenders sentenced to presumptive terms; amending Minnesota Statutes 1976, Sections 242.13; 242.19, Subdivision 1; 242.26; 242.27; 243.05; 243.06; 243.14; 243.18; 609.10; 609.105, Subdivision 1; 609.115, Subdivision 1; 609.12, Subdivision 1; 609.135, Subdivision 1; and Chapter 609, by adding sections; repealing Minnesota Statutes 1976, Sections 609.11; 609.155; 609.16; and 609.346.

The bill was read for the first time and referred to the Committee on Criminal Justice.

Moe, Arlandson, Johnson, Esau and Sherwood introduced:

H. F. No. 1517, A bill for an act relating to highway traffic regulations; providing for mandatory minimum terms of imprisonment for conviction of driving while intoxicated; amending Minnesota Statutes 1976, Section 169.121, Subdivisions 3 and 4.

The bill was read for the first time and referred to the Committee on Criminal Justice.

Pleasant, by request, introduced:

H. F. No. 1518, A bill for an act relating to Independent School District No. 272 (Eden Prairie) and Independent School District No. 271 (Bloomington); providing for the transfer of territory from Independent School District No. 272 to Independent School District No. 271.

The bill was read for the first time and referred to the Committee on Education.

Stoa, St. Onge, Sherwood, Nelsen, B., and Nelsen, M., introduced:

H. F. No. 1519, A bill for an act relating to natural resources; concerning forestry; regulating the maintenance of fires; amending Minnesota Statutes 1976, Sections 88.01, by adding a subdivision; 88.10; 88.16; 88.17; 88.22; 88.73; 88.75, Subdivision 1; 88.76; 88.77; and 88.78.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

George introduced:

H. F. No. 1520, A bill for an act relating to financial institutions; changing powers of savings and loan associations; amending Minnesota Statutes 1976, Section 51A.21, Subdivision 16.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

Skoglund, Munger, Brandl, Jaros and Kaley introduced:

H. F. No. 1521, A bill for an act relating to elections; prohibiting infiltration and sabotage of political campaigns; providing penalties; amending Minnesota Statutes 1976, Chapter 210A, by adding a section.

The bill was read for the first time and referred to the Committee on General Legislation and Veterans Affairs.

Brandl, Wynia, Heinitz, Nelson and Dahl introduced:

H. F. No. 1522, A bill for an act relating to the state council for the handicapped; authorizing appeals by the council from state building code decisions affecting the interests of handicapped persons; granting the council authority to promulgate rules governing display of the international symbol of accessibility; authorizing the council to initiate or intervene in proceedings affecting handicapped persons; amending Minnesota Statutes 1976, Sections 256.482, Subdivision 5, and by adding subdivisions; 299G.12; and Chapter 16, by adding a section.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Nelson, Petrafeso, Wenstrom, Carlson, L., and Heinitz introduced:

H. F. No. 1523, A bill for an act relating to public buildings; providing for the remodeling of the public class of state owned buildings to improve accessibility for disabled and elderly persons.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Jaros, Clark, Wynia, Lehto and Ellingson introduced:

H. F. No. 1524, A bill for an act relating to public health; providing nutritional standards for food and beverages sold through vending machines and at certain restaurants; amending Minnesota Statutes 1976, Chapters 28A, by adding a section; and 157, by adding a section.

The bill was read for the first time and referred to the Committee on Health and Welfare.

Waldorf, Tomlinson, Mangan, Biersdorf and Kempe, R., introduced:

H. F. No. 1525, A bill for an act relating to the blind; retaining the adult regional library for the blind within the department of public welfare; amending Minnesota Statutes 1976, Section 128A.02, Subdivision 1; and Laws 1976, Chapter 271, Section 74, Subdivisions 6, 7 and 8.

The bill was read for the first time and referred to the Committee on Health and Welfare.

McDonald; Reding; Anderson, G.; White and Carlson, A., introduced:

H. F. No. 1526, A bill for an act creating a legislative commission to study regional governments in Minnesota; appropriating money therefor.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Heinitz, Jude, Searles and Mangan introduced:

H. F. No. 1527, A bill for an act relating to the cities of Champlin, Corcoran, Dayton, Maple Grove, Medina and Plymouth and the county of Hennepin; authorizing a levy of one mill by each city to provide funding for administrative expenses of the Elm Creek conservation and protection commission; directing the county of Hennepin to provide certain facilities and personnel to the Hennepin county soil and water conservation district.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Heinitz, Pleasant and Casserly introduced:

H. F. No. 1528, A bill for an act relating to taxation; defining property exempt from property taxation; amending Minnesota Statutes 1976, Section 272.02, Subdivision 1.

The bill was read for the first time and referred to the Committee on Taxes.

Heinitz and Metzen introduced:

H. F. No. 1529, A bill for an act relating to taxation; providing that property taxes be related to the year in which they are payable; amending Minnesota Statutes 1976, Section 275.28, Subdivision 3.

The bill was read for the first time and referred to the Committee on Taxes.

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 Files, herewith returned:

H. F. No. 705, A bill for an act relating to taxation; providing for revocation of motor carrier licenses for failure to file road tax reports; providing credit for tax paid on gasoline or fuel used in other states; amending Minnesota Statutes 1976, Section 296.17, Subdivisions 3, 11, and 12; and Chapter 296, by adding a section; repealing Minnesota Statutes 1976, Section 296.18, Subdivision 1a.

H. F. No. 720, A bill for an act relating to commerce; regulation of subdivision of lands by the commissioner of securities; extending time for filing reports of subdivided land; amending Minnesota Statutes 1976, Section 83.30, Subdivision 1.

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. 82, A bill for an act relating to crimes; raising the amount of pecuniary gain which must be received by a person incident to a violation of law before the violation is categorized as a felony; increasing the penal fine of misdemeanors; directing a court to require as a condition of a stay of imposition or execution of sentence restitution for property damage or loss or compensation for personal injuries; amending Minnesota Statutes 1976, Sections 412.231; 609.02, Subdivision 3; 609.03; 609.031; 609.032; 609.135, Subdivision 1; 609.27, Subdivision 2; 609.551, Subdivision 1; 609.563, Subdivision 1; 609.576, Subdivision 1; 609.595, Subdivision 1; 609.615; and 609.785.

The Senate has appointed as such committee Messrs. Nichols, Keefe, J., and Spear.

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 Senate Files, herewith transmitted:

S. F. Nos. 105 and 381.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 430, 530 and 716.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 105, A bill for an act relating to public welfare; providing pre-trial proceedings and hearings to determine paternity of illegitimate children; requiring a notice to be given a father when a mother intends to relinquish a child for purposes of adoption; enacting the uniform parentage act; revising Minnesota Statutes to conform with the uniform parentage act; amending Minnesota Statutes 1976, Sections 62A.041; 62C.14, Subdivision 5a; 64A.22, Subdivision 1; 144.159; 144.167; 144.171, Subdivision 2; 257.025; 257.175; 257.28; 257.33; 259.24, Subdivisions 1 and 2; 259.25, Subdivision 1; 259.26, Subdivision 1; 259.29; 260.111, Subdivision 2; 260.221; and 260.231, Subdivision 3; repealing Minnesota Statutes 1976, Sections 144.177; 257.251; 257.252; 257.253; 257.254; 257.255; 257.256; 257.257; 257.258; 257.259; 257.261; 257.262; 257.263; 257.264; 257.27; 257.29; 257.30; 257.31; 259.261; and 517.19.

The bill was read for the first time and referred to the Committee on Governmental Operations.

S. F. No. 381, A bill for an act relating to game and fish; changing the commissioner's duties in the removal of beaver; authorizing seasons for taking bobcat, fisher, fox, and wild turkey; requiring the commissioner to issue sportsman's licenses; extending the season and eliminating the annual limit for taking beaver; changing the hours for taking trout; extending the surcharge on small game licenses; amending Minnesota Statutes 1976, Sections 97.56; 98.46, Subdivisions 2, 2a, and 14; 100.26, Subdivision 1; 100.27, Subdivisions 1, 3, 4, 5, and 7; 100.28, Subdivision 1; 101.42, Subdivision 8; and Laws 1961, Chapter 66, Section 1, as amended; repealing Minnesota Statutes 1976, Section 348.071.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

S. F. No. 430, A bill for an act relating to peace officers; permitting vocational-technical school training as compliance with training requirements; amending Minnesota Statutes 1976, Section 626.846, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Criminal Justice.

S. F. No. 530, A bill for an act relating to used motor oil recycling; requiring certain collection facilities or the posting of certain notices; providing a penalty.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

S. F. No. 716, A bill for an act relating to credit unions; authorizing certain contracts between credit unions; amending Minnesota Statutes 1976, Section 52.04.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

CALENDAR

H. F. No. 585 was reported to the House and given its third reading.

Savelkoul moved that H. F. No. 585 be returned to General Orders and considered first by the Committee of the Whole. The motion did not prevail.

H. F. No. 585, A bill for an act relating to taxation; altering definitions of "income" for senior citizen's property tax freeze purposes; "taxes", "alimony" and "investment company" for income tax purposes; allowing commissioner of revenue to disregard small amounts due or penalties and to require withholding of delinquent taxes by employees; providing for tax lien on personal property; amending Minnesota Statutes 1976, Sections 273.012, Subdivision 3; 290.06, Subdivision 2c; 290.09, Subdivisions 4 and 14; 290.21, Subdivision 3; 290.36; 290.54; 290.92, by adding a subdivision; 290.934, Subdivision 5; and 290A.06.

The bill was placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 90 yeas and 38 nays as follows:

Those who voted in the affirmative were:

Abeln	Berg	Clark	Fudro	Jude
Adams	Berglin	Clawson	Fugina	Kahn
Anderson, B.	Berkelman	Cohen	Gunter	Kalis
Anderson, G.	Birnstihl	Corbid	Hanson	Kelly, R.
Anderson, I.	Brandl	Cummiskey	Haugerud	Kelly, W.
Arlandson	Braun	Dahl	Hokanson	Kempe, R.
Battaglia	Byrne	Eken	Jacobs	King
Beauchamp	Carlson, L.	Ellingson	Jaros	Kostohryz
Begich	Cassarly	Enebo	Johnson	Kroening

Langseth	Neisen	Reding	Simoneau	Vanasek
Lehto	Nelsen, M.	Rice	Skoglund	Voss
Lemke	Nelson	St. Onge	Smogard	Welch
Mangan	Norton	Samuelson	Spanish	Wenstrom
McCarron	Novak	Sarna	Stanton	Wenzel
McEachern	Osthoff	Scheid	Stoa	White
Metzen	Patton	Schulz	Suss	Williamson
Munger	Pehler	Sieben, H.	Swanson	Wynia
Murphy	Petrafaso	Sieben, M.	Tomlinson	Speaker Sabo

Those who voted in the negative were :

Albrecht	Den Ouden	Forsythe	Mann	Searle
Anderson, D.	Eckstein	Friedrich	McDonald	Searles
Anderson, R.	Erickson	Heinitz	Nelsen, B.	Sherwood
Biersdorf	Esau	Jensen	Niehaus	Wieser
Brinkman	Evans	Kaley	Peterson	Wigley
Carlson, A.	Ewald	Knickerbocker	Pleasant	Zubay
Carlson, D.	Faricy	Kvam	Rose	
Dean	Fjoslien	Laidig	Savelkoul	

The bill was passed and its title agreed to.

H. F. No. 1005, A bill for an act relating to agriculture; dairy products; grade A pasteurized milk; increasing certification fees; amending Minnesota Statutes 1976, Section 32.394, Subdivisions 8 and 8a.

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

The question was taken on the passage of the bill and the roll was called. There were 113 yeas and 14 nays as follows:

Those who voted in the affirmative were:

Abeln	Corbid	Jaros	Moe	Sieben, M.
Adams	Cummiskey	Jensen	Munger	Simoneau
Anderson, B.	Dahl	Johnson	Murphy	Skoglund
Anderson, G.	Eckstein	Jude	Nelson	Smogard
Anderson, I.	Eken	Kahn	Norton	Spanish
Anderson, R.	Ellingson	Kaley	Novak	Stanton
Arlandson	Enebo	Kalis	Osthoff	Stoa
Battaglia	Erickson	Kelly, R.	Patton	Swanson
Beauchamp	Esau	Kelly, W.	Pehler	Tomlinson
Begich	Evans	King	Petrafaso	Vanasek
Berg	Ewald	Knickerbocker	Prahl	Voss
Berglin	Faricy	Kostohryz	Reding	Waldorf
Berkelman	Forsythe	Kroening	Rice	Welch
Biersdorf	Friedrich	Laidig	Rose	Wenstrom
Birnstihl	Fudro	Langseth	St. Onge	Wenzel
Brandl	Fugina	Lehto	Samuelson	White
Brinkman	George	Lemke	Sarna	Wieser
Byrne	Gunter	Mangan	Scheid	Williamson
Carlson, L.	Hanson	Mann	Schulz	Wynia
Cassery	Haugerud	McCarron	Searle	Zubay
Clark	Heinitz	McCollar	Searles	Speaker Sabo
Clawson	Hokanson	McEachern	Sherwood	
Cohen	Jacobs	Metzen	Sieben, H.	

Those who voted in the negative were:

Albrecht	Carlson, D.	Fjoslien	Nelsen, B.	Pleasant
Anderson, D.	Dean	Kempe, R.	Niehaus	Wigley
Carlson, A.	Den Ouden	Kvam	Peterson	

The bill was passed and its title agreed to.

CALL OF THE HOUSE

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

Abeln	Corbid	Jude	Munger	Sherwood
Adams	Cummiskey	Kahn	Murphy	Sieben, H.
Albrecht	Dahl	Kaley	Nelsen, B.	Sieben, M.
Anderson, B.	Dean	Kalis	Nelsen, M.	Simoneau
Anderson, D.	Den Ouden	Kelly, R.	Nelson	Skoglund
Anderson, G.	Eckstein	Kelly, W.	Niehaus	Smogard
Anderson, I.	Eken	Kempe, A.	Norton	Spanish
Arlandson	Ellingson	Kempe, R.	Novak	Stanton
Battaglia	Enebo	King	Osthoff	Stoa
Beauchamp	Erickson	Knickerbocker	Patton	Suss
Begich	Esau	Kostohryz	Pehler	Swanson
Berg	Evans	Kroening	Peterson	Tomlinson
Berglin	Ewald	Kvam	Petraleso	Vanasek
Berkelman	Farcy	Laidig	Pleasant	Voss
Biersdorf	Fjoslien	Langseth	Prahl	Waldorf
Birnstihl	Forsythe	Lehto	Reding	Welch
Brinkman	Friedrich	Lemke	Rose	Wenstrom
Byrne	Fugina	Mangan	St. Onge	Wenzel
Carlson, A.	George	Mann	Samuelson	White
Carlson, D.	Gunter	McCarron	Sarna	Wieser
Carlson, L.	Hanson	McCollar	Savelkoul	Wigley
Casserly	Haugerud	McDonald	Scheid	Williamson
Clark	Heinitz	McEachern	Schulz	Wynia
Clawson	Jensen	Metzen	Searle	Zubay
Cohen	Johnson	Moe	Searles	Speaker Sabo

Berg 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. 800 was reported to the House and given its third reading.

Begich moved that H. F. No. 800 be continued on the Calendar until Monday, April 25, 1977.

A roll call was requested and property seconded.

The question was taken on the motion by Begich and the roll was called. There were 55 yeas and 76 nays as follows:

Those who voted in the affirmative were:

Albrecht	Corbid	Gunter	Mann	St. Onge
Anderson, D.	Dahl	Heinitz	McCollar	Samuelson
Anderson, I.	Den Ouden	Jensen	McDonald	Savelkoul
Battaglia	Eckstein	Johnson	Nelsen, B.	Searle
Begich	Eken	Jude	Nelsen, M.	Searles
Biersdorf	Erickson	Kaley	Niehaus	Sherwood
Birnstihl	Esau	Kalis	Peterson	Spanish
Braun	Evans	Kvam	Pleasant	Wenzel
Brinkman	Fjoslien	Langseth	Prahl	Wieser
Carlson, D.	Friedrich	Lemke	Reding	Wigley
Clawson	Fugina	Mangan	Rose	Zubay

Those who voted in the negative were:

Abeln	Cummiskey	Kelly, W.	Nelson	Stoa
Adams	Dean	Kempe, A.	Norton	Suss
Anderson, B.	Ellingson	Kempe, R.	Novak	Tomlinson
Anderson, G.	Enebo	King	Osthoff	Vanasek
Arlandson	Ewald	Knickerbocker	Patton	Voss
Beauchamp	Faricy	Kostohryz	Pehler	Waldorf
Berg	Forsythe	Kroening	Petrafeso	Welch
Berglin	Fudro	Laidig	Rice	Westrom
Berkelman	George	Lehto	Sarna	White
Brandl	Hanson	McCarron	Scheid	Williamson
Byrne	Haugerud	McEachern	Sieben, H.	Wynia
Carlson, A.	Hokanson	Metzen	Sieben, M.	Speaker Sabo
Carlson, L.	Jacobs	Moe	Simoneau	
Casserly	Jaros	Munger	Skoglund	
Clark	Kahn	Murphy	Smogard	
Cohen	Kelly, R.	Neisen	Stanton	

The motion did not prevail.

H. F. No. 800, A bill for an act relating to crimes; regulating the transfer of pistols; requiring a waiting period for pistol transfers; requiring police checks of pistol transferees; prohibiting transfers of pistols to certain persons; providing for transferee permits; prescribing penalties; providing for state-wide validity of permits to carry; amending Minnesota Statutes 1976, Sections 609.11, Subdivision 1, and by adding a subdivision; 609.135, Subdivision 1; 624.712, Subdivisions 2 and 4, and by adding a subdivision; 624.714, Subdivision 9, and by adding a subdivision; and Chapter 624, by adding sections; repealing Minnesota Statutes 1976, Section 609.11, Subdivision 2.

The bill was placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 68 yeas and 66 nays as follows:

Those who voted in the affirmative were:

Abeln	Berg	Byrne	Clark	Ellingson
Adams	Berglin	Carlson, A.	Cohen	Enebo
Arlandson	Berkelman	Carlson, L.	Cummiskey	Ewald
Beauchamp	Brandl	Casserly	Dean	Faricy

Forsythe	Kempe, A.	Metzen	Searles	Vanasek
George	Kempe, R.	Moe	Sieben, H.	Voss
Hanson	King	Munger	Sieben, M.	Waldorf
Haugerud	Knickerbocker	Nelson	Simoneau	Welch
Hokanson	Kostohryz	Norton	Skoglund	White
Jacobs	Kroening	Novak	Stanton	Williamson
Jaros	Laidig	Osthoff	Stoa	Wynia
Jude	Lehto	Patton	Suss	Speaker Sabo
Kahn	McCarron	Petrafeso	Swanson	
Kelly, R.	McCollar	Scheid	Tomlinson	

Those who voted in the negative were:

Albrecht	Corbid	Jensen	Nelsen, B.	Schulz
Anderson, B.	Dahl	Johnson	Nelsen, M.	Searle
Anderson, D.	Den Ouden	Kaley	Niehaus	Sherwood
Anderson, G.	Eckstein	Kalis	Pehler	Smogard
Anderson, I.	Eken	Kelly, W.	Peterson	Spanish
Anderson, R.	Erickson	Kvam	Pleasant	Wenstrom
Battaglia	Esau	Langseth	Prahl	Wenzel
Begich	Evans	Lemke	Reding	Wieser
Biersdorf	Fjoslien	Mangan	Rice	Wigley
Birnstihl	Friedrich	Mann	Rose	Zubay
Braun	Fudro	McDonald	St. Onge	
Brinkman	Fugina	McEachern	Samuelson	
Carlson, D.	Gunter	Murphy	Sarna	
Clawson	Heinitz	Neisen	Savelkoul	

The bill was passed and its title agreed to.

Fjoslien, Sarna and McCarron were excused at 4:00 p.m. Mann was excused at 4:30 p.m. Berg and Haugerud were excused at 5:00 p.m. Corbid and Neisen were excused at 5:15 p.m. Heinitz was excused at 5:40 p.m. Novak was excused at 6:10 p.m. Byrne and Tomlinson were excused at 6:20 p.m. and Fudro was excused at 6:30 p.m.

GENERAL ORDERS

Pursuant to rules of the House, the House resolved itself into the Committee of the Whole, with Searle in the Chair, for the consideration of bills pending on General Orders of the Day. After some time spent therein the Committee arose.

REPORT OF COMMITTEE OF THE WHOLE

The Speaker resumed the Chair, whereupon the following proceedings of the Committee as kept by the Chief Clerk were reported to the House:

H. F. Nos. 707, 993, 482, 541, 763, 805, 920, 1079 and 889 which it recommended to pass.

S. F. Nos. 345 and 919 which it recommended to pass.

H. F. Nos. 967, 130 and 823 which it recommended progress.

H. F. No. 676 which it recommended to pass with the following amendments offered by Abeln:

Page 2, line 5, strike "\$300,000 for all".

Page 2, strike all of lines 6 and 7 and insert the following:

"\$250,000 for all damages to one person and \$500,000 for all damages to two or more persons arising out of a single instance of the illegal sale, barter, or gift of intoxicating liquor."

Page 2, lines 2, 3 and 4 strike *"and must be commenced within one year after the date of the injury out of which the action arises"* and insert *"The provisions of section 604.01, as applied under this section, however shall not be applicable to actions brought by a husband, wife, child, parent, guardian or other dependent of an intoxicated person"*.

H. F. No. 79 which it recommended to pass with the following amendment offered by Anderson, B.:

Page 4, line 3, after *"within "* strike *"60"* and insert *"90"*.

Page 4, line 3, after *"act"* insert *"and annually before April 15 thereafter,"*.

H. F. No. 882 which it recommended to pass with the following amendment offered by Novak:

Page 2, line 2, after *"(4)"* insert *"With respect to motor vehicles subject to the provisions of section 325.823,"*.

Page 2, line 28, after *"(6)"* insert *"With respect to motor vehicles subject to the provisions of section 325.823,"*.

Page 3, line 9, after the period insert *"With respect to motor vehicles subject to the provisions of section 325.823,"*.

Page 3, line 32, after the period insert *"With respect to motor vehicles subject to the provisions of section 325.823,"*.

Page 4, line 16, after the period insert *"With respect to motor vehicles subject to the provisions of section 325.823,"*.

On the motion of Anderson, I., the report of the Committee of the Whole was adopted.

ROLL CALLS IN COMMITTEE OF THE WHOLE

Pursuant to rule 1.6, the following roll calls were taken in the Committee of the Whole:

Savelkoul moved to amend S. F. No. 345, as follows:

Page 1, lines 13 and 14, after "*hearings*" strike "*, or when otherwise engaged in the performance of his duties*".

The question was taken on the adoption of the amendment and the roll was called. There were 50 yeas and 62 nays as follows:

Those who voted in the affirmative were:

Abeln	Biersdorf	Heinitz	Metzen	Schulz
Albrecht	Birnstihl	Jensen	Neisen	Searles
Anderson, B.	Carlson, A.	Jude	Nelsen, B.	Sherwood
Anderson, D.	Den Ouden	Kaley	Niehaus	Smogard
Anderson, G.	Erickson	Kelly, R.	Peterson	Suss
Anderson, R.	Evans	Kempe, R.	Pleasant	Waldorf
Battaglia	Ewald	Knickerbocker	Reding	Wenstrom
Beauchamp	Fjoslien	Laidig	Rose	Wenzel
Begich	Friedrich	Lemke	Savelkoul	Wieser
Berkelman	Gunter	McDonald	Scheid	Zubay

Those who voted in the negative were:

Adams	Dahl	Kahn	Nelson	Stanton
Anderson, I.	Dean	Kalis	Norton	Stoa
Arlandson	Eckstein	King	Novak	Swanson
Berg	Eken	Kostohryz	Osthoff	Tomlinson
Berglin	Ellingson	Langseth	Patton	Vanasek
Brandl	Enebo	Lehto	Pehler	Voss
Braun	Fudro	Mann	Petrafeso	White
Byrne	Fugina	McCarron	Prahl	Williamson
Carlson, L.	George	McCollar	Rice	Wynia
Casserly	Hokanson	McEachern	Sarna	Speaker Sabo
Clark	Jacobs	Moe	Sieben, H.	
Corbid	Jaros	Munger	Sieben, M.	
Cummiskey	Johnson	Nelsen, M.	Skoglund	

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

Carlson, A., moved to amend S. F. No. 345, as follows:

Page 2, line 1, after "*section 1*" strike "*, are retroactive to July 1, 1976*".

The question was taken on the adoption of the amendment and the roll was called. There were 45 yeas and 59 nays as follows:

Those who voted in the affirmative were:

Abeln	Carlson, A.	Heinitz	McCollar	Savelkoul
Albrecht	Cohen	Jensen	McDonald	Scheid
Anderson, D.	Corbid	Jude	Murphy	Schulz
Anderson, R.	Den Ouden	Kaley	Neisen	Searles
Battaglia	Erickson	Kelly, R.	Nelsen, B.	Sherwood
Beauchamp	Evans	Kempe, R.	Nelsen, M.	Stoa
Begich	Ewald	Laidig	Niehaus	Waldorf
Berkelman	Forsythe	Lemke	Peterson	Wenzel
Birnstihl	Friedrich	Mangan	Rose	Zubay

Those who voted in the negative were:

Adams	Dahl	Jaros	Moe	Simoneau
Anderson, B.	Dean	Johnson	Nelson	Skoglund
Anderson, G.	Eckstein	Kahn	Norton	Stanton
Arlandson	Eken	Kalis	Novak	Swanson
Berg	Ellingson	King	Patton	Tomlinson
Berglin	Enebo	Kostohryz	Pehler	Voss
Brandl	Faricy	Kroening	Petrafeso	Welch
Braun	Fudro	Langseth	Prahl	Wenstrom
Carlson, L.	George	Lehto	Rice	White
Casserly	Gunter	Mann	St. Onge	Williamson
Clark	Hokanson	McCarron	Sieben, H.	Wynia
Cummiskey	Jacobs	Metzen	Sieben, M.	

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

Abeln moved to amend H. F. No. 676, as follows:

Page 2, line 27, strike "120" and insert "90".

The question was taken on the adoption of the amendment and the roll was called. There were 46 yeas and 52 nays as follows:

Those who voted in the affirmative were:

Abeln	Erickson	Kaley	Osthoff	Smogard
Albrecht	Esau	Kelly, R.	Peterson	Stoa
Anderson, D.	Forsythe	Kostohryz	Petrafeso	Voss
Anderson, G.	Friedrich	Laidig	Prahl	Wieser
Birnstihl	Fudro	Lemke	Reding	Wigley
Brinkman	Fugina	McDonald	Rose	Zubay
Cummiskey	Gunter	Murphy	Savelkoul	
Den Ouden	Haugerud	Neisen	Schulz	
Eckstein	Jensen	Nelsen, B.	Searles	
Eken	Johnson	Niehaus	Simoneau	

Those who voted in the negative were:

Anderson, R.	Carlson, L.	George	McCollar	Skoglund
Arlandson	Clark	Hanson	McEachern	Suss
Battaglia	Clawson	Hokanson	Moe	Swanson
Beauchamp	Cohen	Jacobs	Munger	Tomlinson
Begich	Corbid	Jude	Nelson	Waldorf
Berg	Dahl	Kahn	Norton	Wenzel
Berglin	Dean	Kempe, A.	Novak	Williamson
Berkelman	Enebo	Kempe, R.	Rice	Wynia
Brandl	Evans	Knickerbocker	St. Onge	
Braun	Ewald	Lehto	Sieben, H.	
Byrne	Faricy	Mangan	Sieben, M.	

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

MOTIONS AND RESOLUTIONS

Kempe, A., moved that his name be stricken as an author on H. F. No. 585. The motion prevailed.

Jude moved that H. F. No. 231 be recalled from the Governor's office for further consideration by the House. The motion prevailed.

ADJOURNMENT

Anderson, I., moved that when the House adjourns today it adjourn until 2:00 p.m., Monday, April 25, 1977. The motion prevailed.

Anderson, I., moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:00 p.m., Monday, April 25, 1977.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

