

## STATE OF MINNESOTA

## SEVENTIETH SESSION - 1978

## EIGHTY-FIRST DAY

SAINT PAUL, MINNESOTA, THURSDAY, MARCH 2, 1978

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

A quorum was present.

Esau, Fudro and Samuelson were excused. Birnstihl, Jensen and Kvam were excused until 3:55 p.m. Metzen and Patton were excused until 3:25 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. Savelkoul 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. 669, 1345, 2043 and 2225 and S. F. Nos. 1606, 1616, 1662, 1743, 1603, 1611, 1684, 1698, 1643, 1779, 1787, 1842, 1955, 1888, 1021, 1635, 1637, 1229, 1276, 1431, 1548, 837, 838, 839 and 1446 have been placed in the members' files.

S. F. No. 1698 and H. F. No. 2006, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Jacobs moved that S. F. No. 1698 be substituted for H. F. No. 2006 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1637 and H. F. No. 1839, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

## SUSPENSION OF RULES

Begich moved that the rules be so far suspended that S. F. No. 1637 be substituted for H. F. No. 1839 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1787 and H. F. No. 2007, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

## SUSPENSION OF RULES

Waldorf moved that the rules be so far suspended that S. F. No. 1787 be substituted for H. F. No. 2007 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1643 and H. F. No. 1789, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

## SUSPENSION OF RULES

Sieben, M., moved that the rules be so far suspended that S. F. No. 1643 be substituted for H. F. No. 1789 and that the House File be indefinitely postponed. The motion prevailed.

## PETITIONS AND COMMUNICATIONS

The following communication was received:

STATE OF MINNESOTA  
OFFICE OF THE GOVERNOR  
ST. PAUL 55155

March 2, 1978

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. 1065, an act relating to St. Louis County; fees for tax search certificate; amending Laws 1955, Chapter 633, Section 1, Subdivision 2.

H. F. No. 1180, an act relating to financial institutions; permitting the establishment and operation of electronic funds transfer facilities; prescribing the powers and duties of the Commissioner of Banks in relation to funds transfer facilities; protecting the privacy and security of customers of financial institutions who use electronic funds transfer facilities; prescribing penalties.

Sincerely,

RUDY PERPICH  
Governor

REPORTS OF STANDING COMMITTEES

Mann from the Committee on Agriculture to which was referred:

H. F. No. 2116, A bill for an act relating to state waters; establishing certain priorities for use of water in processing agricultural products; amending Minnesota Statutes, 1977 Supplement, Section 105.41, Subdivision 1a.

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

The report was adopted.

Mann from the Committee on Agriculture to which was referred:

H. F. No. 2389, A bill for an act relating to food; regulation and licensing of food handlers; defining terms; providing for inspection or license fees for certain coin operated food vending machines; amending Minnesota Statutes 1976, Sections 28A.03; and 28A.09.

Reported the same back with the following amendments:

Page 3, after line 19, insert "*(g) A custom processor is a person who for a fee, slaughters animals or processes noninspected meat for the owner of such animals and returns the meat product derived from such slaughter or processing to the owner. "Custom processor" shall not include a person who slaughters animals or poultry and/or processes meat for the owner of the animal or poultry on the farm or premises of the owner of such animal, meat or poultry. For the purpose of this clause "animals" or "meat" do not include poultry or game animals or meat derived therefrom.*".

Page 4, line 13, after "*city*" insert a comma.

Page 4, line 13, after "*county*" insert "*but not both*".

Page 4, line 26, after "*fee*" insert a period and delete the rest of the line.

Page 4, delete line 27.

Page 4, after line 30, insert a new section to read:

"*Sec. 3. Minnesota Statutes 1976, Section 28A.15, Subdivision 6, is repealed.*".

Further amend the title as follows:

Page 1, line 6, before the period insert "*; repealing Minnesota Statutes 1976, Section 28A.15, Subdivision 6*".

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. 1884, A bill for an act relating to highway traffic regulations; prohibiting passing a school bus when it is stopped and is displaying stop signals; providing penalties; amending Minnesota Statutes 1976, Section 169.44, Subdivision 1.

Reported the same back with the following amendment:

Page 1, line 23, delete "*gross*".

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

The report was adopted.

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

H. F. No. 1976, A bill for an act relating to highway traffic regulations; prohibiting possession of certain traffic signs; granting immunity from prosecution to persons who voluntarily notify police of their possession of such signs; amending Minnesota Statutes 1976, Section 169.08.

Reported the same back with the following amendments:

Page 1, line 17, strike "thereon, or any other part" delete "A" and insert "No".

Page 1, line 19, delete "*shall not be subject to*".

Page 1, line 20, delete "*prosecution for such possession*" and insert "*and who delivers said article to the law enforcement agency within ten days of said notification shall be subject to misdemeanor prosecution because of such possession*".

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. 1286, A bill for an act relating to education; public libraries; providing grants for certain libraries and setting guidelines for interlibrary cooperation; amending Minnesota Statutes 1976, Sections 121.23 and 121.24; repealing Minnesota Statutes 1976, Sections 121.22 and 134.035.

Reported the same back with the following amendments:

Strike everything after the enacting clause and insert the following:

"Section 1. Minnesota Statutes 1976, Chapter 134, is amended by adding a section to read:

[134.30] [DEFINITIONS.] *Subdivision 1. As used in sections 1 to 6 of this act, the terms defined in this section shall have the meanings ascribed to them.*

*Subd. 2. "Public library" means any library that provides free access to all residents of a city or county without discrimination, receives at least half of its financial support from public funds and is organized under the provisions of chapter 134 or section 375.33. It does not include libraries such as law, medical, school and academic libraries organized to serve a special group of persons, or libraries organized as a combination of a public library and another type of library.*

*Subd. 3. "Public library services" means services provided by or on behalf of a public library and does not include services for elementary schools, secondary schools or post-secondary educational institutions.*

*Subd. 4. "Regional public library system" means a multi-county public library service agency that provides free access to all residents of the region without discrimination, and is organized under the provisions of sections 134.12, 375.335, 471.59 or chapter 317.*

*Subd. 5. "Basic system services" means services offered by all regional public library systems either directly or by contract. These services shall include, but are not limited to, communication among participants, resource sharing, delivery of materials, reciprocal borrowing, and cooperative reference service.*

Sec. 2. Minnesota Statutes 1976, Chapter 134, is amended by adding a section to read:

[134.31] [STATE DEPARTMENT OF EDUCATION; LIBRARY RESPONSIBILITIES.] *Subdivision 1. The state shall, as an integral part of its responsibility for public education, support the provision of library service for every citizen and the development of cooperative programs for the sharing of resources and services among all libraries.*

*Subd. 2. The department of education shall give advice and instruction to the managers of any public library or to any governing body maintaining a library or empowered to do so by law upon any matter pertaining to the organization, maintenance, or administration of libraries. The department may also give advice and instruction, as requested, to the managers of any library in a post-secondary educational institution. It shall assist, to the extent possible, in the establishment and organization of library service in those areas where adequate services do not exist, and may aid in improving previously established library services.*

*Subd. 3. The department may provide, for any library in the state, books, journals, audiovisual items, reference services or*

*resource materials it deems appropriate and necessary and shall encourage the sharing of library resources and the department of interlibrary cooperation.*

*Subd. 4. The department shall collect statistics on the receipts, expenditures, services, and use of the regional public library systems and the public libraries of the state. It shall also collect statistics on all activities undertaken pursuant to sections 2 to 6 of this act. The department shall report its findings to the legislature prior to November 15 of each even numbered year, together with a statement of its expenditures relating to these activities and any other matters as it deems appropriate.*

**Sec. 3. Minnesota Statutes 1976, Chapter 134, is amended by adding a section to read:**

**[134.32] [GRANT AUTHORIZATION; TYPES OF GRANTS.]** *Subdivision 1. The department shall provide the grants specified in this section from any available state or federal funds.*

*Subd. 2. It shall provide establishment grants to regional public library systems which meet the requirements of section 4 of this act, to extend library services to additional counties.*

*Subd. 3. It shall provide regional library basic system support grants to regional public library systems which meet the requirements of section 5 of this act, to assist those systems in providing basic system services.*

*Subd. 4. It may provide special project grants to assist innovative and experimental library programs including, but not limited to, special services for American Indians and the Spanish-speaking, delivery of library materials to homebound persons, other extensions of library services to persons without access to libraries and projects to strengthen and improve library services.*

*Subd. 5. It may provide grants for interlibrary exchange of books, periodicals, resource material, reference information and the expenses incident to the sharing of library resources and materials.*

*Subd. 6. It may provide grants for the improvement of library services at welfare and corrections institutions and for library service for the blind and physically handicapped.*

*Subd. 7. Nothing within the provisions of this section shall be construed to allow state money to be used for the construction of library facilities.*

*Subd. 8. The state board shall promulgate rules consistent with sections 3 to 6 of this act governing:*

*(a) Applications for these grants;*

*(b) Computation formulas for determining the amounts of establishment grants and regional library basic system support grants; and*

*(c) Eligibility criteria for grants.*

Sec. 4. Minnesota Statutes 1976, Chapter 134, is amended by adding a section to read:

[134.33] [ESTABLISHMENT GRANTS.] *Subdivision 1. An establishment grant as described in section 3, subdivision 2, of this act, shall be made to any regional public library system for the first two state fiscal years after a board of county commissioners has contracted to join that system and has agreed that the county will provide the levels of support for public library service specified in this section. In the first year of participation, the county shall provide an amount of support equivalent to .2 mill times the adjusted assessed valuation of the taxable property of the county as determined by the equalization aid review committee for the second year preceding that calendar year; in the second year of participation, an amount equivalent to .3 mill times the adjusted assessed valuation of the taxable property of the county as determined by the equalization aid review committee for the second year preceding that calendar year; and, in the third year of participation and in each year thereafter, an amount equivalent to .4 mill times the adjusted assessed valuation of the taxable property of the county as determined by the equalization aid review committee for the second year preceding that calendar year. The minimum level of support shall be certified annually to the county by the department of education. In no event shall the department of education require any county to provide a higher level of support than the level of support specified in this section in order for a system to qualify for an establishment grant. This section shall not be construed to prohibit any county from providing a higher level of support for public libraries than the level of support specified in this section.*

*Subd. 2. In order for a regional public library system to qualify for an establishment grant for a county which begins to support participation in regional public library systems in 1977 or 1978, the county shall be required to provide the amount of support specified for the third year of participation from and after January 1, 1980.*

Sec. 5. Minnesota Statutes 1976, Chapter 134, is amended by adding a section to read:



[134.34] [REGIONAL LIBRARY BASIC SYSTEM SUPPORT GRANTS; REQUIREMENTS.] *Subdivision 1.* A regional library basic system support grant shall be made to any regional public library system where there are at least three participating counties and where each participating city and county, except in the first and second years of participation as provided in section 4 of this act, is providing for public library service support in an amount equivalent to .4 mill times the adjusted assessed valuation of the taxable property of that city or county, as determined by the equalization aid review committee for the second year preceding that calendar year. The state department may waive this three participating county requirement for the Western Plains library system until June 30, 1979, if that system meets all other requirements. The minimum level of support shall be certified annually to the participating cities and counties by the department of education. A city which is a part of a regional public library system shall not be required to provide this level of support if the property of that city is already taxable by the county for the support of that regional public library system. In no event shall the department of education require any city or county to provide a higher level of support than the level of support specified in this section in order for a system to qualify for a regional library basic system support grant. This section shall not be construed to prohibit a city or county from providing a higher level of support for public libraries than the level of support specified in this section.

*Subd. 2.* Notwithstanding the provisions of section 4 of this act and subdivision 1 of this section, after the third year of participation by a city or county, the dollar amount of the minimum level of support for that city or county shall not be required to increase by more than ten percent over the dollar amount of the minimum level of support required of it in the previous year. If a participating city or county which has been providing for public library service support in an amount equivalent to .67 mill times the assessed valuation of the taxable property of that city or county for the year preceding that calendar year would be required to increase the dollar amount of such support by more than ten percent to reach the equivalent of .4 mill times the adjusted assessed valuation of the taxable property of that participating city or county as determined by the equalization aid review committee for the second year preceding that calendar year, it shall only be required to increase the dollar amount of such support by ten percent per year until such time as it reaches an amount equivalent to .4 mill times the adjusted assessed valuation of that taxable property as determined by the equalization aid review committee for the second year preceding that calendar year.

*Subd. 3.* Regional library basic system support grants shall be made only to those regional public library systems officially designated by the state board of education as the appropriate agency to strengthen, improve and promote public library services in the participating areas. The state board of education

shall designate no more than one such regional public library system located entirely within any single development region existing under sections 462.381 to 462.396 or chapter 473.

*Subd. 4. A regional library basic system support grant shall not be made to a regional public library system for a participating city or county which decreases the dollar amount provided for support for operating purposes of public library service below the amount provided by it for the preceding year. This subdivision shall not apply to participating cities or counties where the adjusted assessed valuation of that city or county has decreased, if the dollar amount of the reduction in support is not greater than the dollar amount by which support would be decreased if the reduction in support were made in direct proportion to the decrease in adjusted assessed valuation.*

**Sec. 6.** Minnesota Statutes 1976, Chapter 134, is amended by adding a section to read:

**[134.35] [REGIONAL LIBRARY BASIC SYSTEM SUPPORT GRANTS; DISTRIBUTION FORMULA.]** *Subdivision 1. Any regional public library system which qualifies according to the provisions of section 5 of this act may apply for an annual grant for regional library basic system support. The amount of each grant for fiscal year 1979 shall be calculated as provided in this section.*

*Subd. 2. Sixty percent of the available grant funds shall be distributed to provide all qualifying systems an equal amount per capita. Each system's allocation pursuant to this subdivision shall be based on the population it serves.*

*Subd. 3. Fifteen percent of the available grant funds shall be distributed to provide all qualifying systems an equal amount per square mile. Each system's allocation pursuant to this subdivision shall be based on the area it serves.*

*Subd. 4. The sum of \$35,000 shall be paid to each system as a base grant for basic system services.*

*Subd. 5. After the allocations made pursuant to subdivisions 2, 3 and 4 of this section, any remaining available grant funds for basic system support shall be distributed to those regional public library systems which contain counties whose adjusted assessed valuations per capita were below the state average adjusted assessed valuation per capita for the second year preceding the fiscal year for which the grant is made. Each system's entitlement shall be calculated as follows:*

*(a) Subtract the adjusted assessed valuation per capita for each eligible county or participating portion of a county from the statewide average adjusted assessed valuation per capita;*

(b) *Multiply the difference obtained in clause (a) for each eligible county or participating portion of a county by the population of that eligible county or participating portion of a county;*

(c) *For each regional public library system, determine the sum of the results of the computation in clause (b) for all eligible counties or portions thereof in that system;*

(d) *Determine the sum of the result of the computation in clause (b) for all eligible counties or portions thereof in all regional public library systems in the state;*

(e) *For each system, divide the result of the computation in clause (c) by the result of the computation in clause (d) to obtain the allocation factor for that system;*

(f) *Multiply the allocation factor for each system as determined in clause (e) times the amount of the remaining grant funds to determine each system's dollar allocation pursuant to this subdivision.*

*Subd. 6. Notwithstanding the provisions of subdivisions 1 to 5, no regional public library system shall receive an amount as an annual grant for fiscal year 1979 pursuant to this section which is less than the amount which that system received as its annual grant for fiscal year 1978. This subdivision shall expire on July 1, 1979.*

*Sec. 7. The state board of education shall promulgate rules as necessary for implementation of any provision of this act. Temporary rules may be adopted to implement this act in compliance with the provisions of section 15.0412, subdivision 5, except that these rules may be effective for up to 300 days.*

*Sec. 8. Minnesota Statutes 1976, Sections 121.22; 121.23; 121.24; and 134.035 are repealed.*

*Sec. 9. The state department may waive the requirement that three counties participate in the Western Plains system in order for that system to qualify for a basic system support grant pursuant to section 5, until June 30, 1979, if that system meets all other requirements.*

*Sec. 10. The contingent appropriation provided by Laws 1977, Chapter 449, Section 2, Subdivision 7, Clause (c), is hereby made available for the purposes of this act."*

Further, amend the title as follows:

Page 1, delete lines 2 to 7 and insert: "relating to education; granting certain powers and duties relating to public libraries

to the state board and the state department of education; providing grants for certain library systems; appropriating money; amending Minnesota Statutes 1976, Chapter 134, by adding sections; repealing Minnesota Statutes 1976, Sections 121.22; 121.23; 121.24; and 134.035.”.

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. 1754, A bill for an act relating to school districts; abolishing certain attendance options for children of persons owning land in more than one district; requiring attendance in the school district of residence; repealing Minnesota Statutes 1976, Section 120.065; and Minnesota Statutes, 1977 Supplement, Section 123.39, Subdivision 5a.

Reported the same back with the following amendments:

Strike everything after the enacting clause and insert the following:

“Section 1. Minnesota Statutes 1976, Section 120.05, Subdivision 1, is amended to read:

120.05 [PUBLIC SCHOOLS.] Subdivision 1. [CLASSIFICATION.] For the purpose of administration (THE STATE BOARD SHALL CLASSIFY) all public schools *are classified* under the following heads, provided the requirements in subdivision 2 are met:

- (1) Elementary,
- (2) Middle school,
- (3) Secondary,
- (4) Vocational center school,
- (5) Area vocational-technical school.

Sec. 2. Minnesota Statutes 1976, Section 120.10, Subdivision 4, is amended to read:

Subd. 4. [ISSUING AND REPORTING EXCUSES.] The clerk or any authorized officer of the school board shall issue and keep a record of such excuses, under such rules as the board may

from time to time establish. (EACH EXCUSE ISSUED SHALL STATE THE REASON FOR SUCH EXCUSE AND A COPY OF EACH EXCUSE ISSUED UNDER SUBDIVISION 3, CLAUSE (1) SHALL BE FORWARDED TO THE COMMISSIONER OF EDUCATION WITHIN 30 DAYS FOLLOWING ISSUANCE.)

Sec. 3. Minnesota Statutes 1976, Section 120.14, is amended to read:

120.14 [TRUANT OFFICERS.] The board of any district may (APPOINT AND REMOVE AT PLEASURE TRUANT) *authorize the employment of attendance* officers, who shall investigate (ALL CASES OF) truancy or non-attendance at school, make complaints, serve notice and process, and attend to the enforcement of all laws and (SCHOOL REGULATIONS RESPECTING TRUANT, INCORRIGIBLE, AND DISORDERLY CHILDREN AND) *district rules regarding* school attendance. When any (TRUANT) *attendance* officer learns of any case of habitual truancy or continued non-attendance of any child required to attend school he shall immediately notify the person having control of such child to forthwith send to and keep him in school. He (MAY ARREST WITHOUT WARRANT AND TAKE TO SCHOOL ANY SUCH CHILD AND) shall act under the general supervision of the (BOARD, OR, WHEN DIRECTED BY THE BOARD, UNDER THAT OF THE) district superintendent.

Sec. 4. Minnesota Statutes 1976, Section 120.15, is amended to read:

120.15 [CLASSES FOR TRUANTS.] (BOARDS) A *board* may maintain ungraded (SCHOOLS) *classes* for the instruction of children (OF THE FOLLOWING CLASSES) between seven and 16 years of age (:) *who are habitually truant or not in attendance.*

((1) HABITUAL TRUANTS;)

((2) THOSE INCORRIGIBLE, VICIOUS, OR IMMORAL IN CONDUCT; AND)

((3) THOSE WHO HABITUALLY WANDER ABOUT THE STREETS OR OTHER PUBLIC PLACES DURING SCHOOL HOURS WITHOUT LAWFUL EMPLOYMENT.)

All such children shall be deemed delinquent and the board may compel their attendance at such (TRUANT SCHOOL) *ungraded classes*, or any department of the public schools, as the board may determine, and cause them to be brought before the juvenile court of the county for appropriate discipline.

Sec. 5. Minnesota Statutes 1976, Section 123.35, is amended by adding a subdivision to read:

*Subd. 14. School districts shall not compete with one another for the enrollment of students.*

Sec. 6. Minnesota Statutes 1976, Section 123.62, is amended to read:

123.62 [PLATS.] The auditor shall keep in his office books containing a correct plat and description of each district, whether wholly or partly in his county. The auditor shall submit (, ON OR BEFORE DECEMBER 31 OF EACH YEAR,) to the state department a description and *the revised* plats showing changes made in district boundaries (DURING THE CAL-  
ENDAR YEAR) *within 60 days of such changes.*

Sec. 7. Minnesota Statutes 1976, Section 124.12, Subdivision 2, is amended to read:

Subd. 2. (ON OR BEFORE OCTOBER 1 IN EACH YEAR,) it shall be the duty of the commissioner of *education* to deliver to the commissioner of finance a certificate (IN DUPLICATE) for each district entitled to receive state aid under the provisions of this chapter. Upon the receipt of such certificate, it shall be the duty of the commissioner of finance to draw his warrant upon the state treasurer in favor of the district for the amount shown by each certificate to be due to the district. The commissioner of finance shall transmit such warrants to the district together with a copy of the certificate prepared by the commissioner.

Sec. 8. *Minnesota Statutes 1976, Section 121.11, Subdivisions 2, 3 and 4, are repealed."*

Further, amend the title as follows:

Line 2, delete "school districts; abolishing certain".

Delete lines 3 to 5 and insert "education; eliminating and correcting certain obsolete provisions; amending Minnesota Statutes 1976, Sections 120.05, Subdivision 1; 120.10, Subdivision 4; 120.14; 120.15; 123.35, by adding a subdivision; 123.62; and 124.12, Subdivision 2;"

Delete line 7.

Delete line 8 to the period and insert "121.11, Subdivisions 2, 3 and 4".

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. 1885, A bill for an act relating to education; school districts; providing for adjustments in certain school aid and tax levy procedures; amending Minnesota Statutes 1976, Sections 6.62, Subdivision 1; 121.904, Subdivision 7; 124.212, by adding a subdivision; 126.12; 134.03; 275.125, Subdivisions 15, 16 and 18; Minnesota Statutes, 1977 Supplement, Sections 275.-07; 275.124; repealing Minnesota Statutes 1976, Sections 120.07 and 124.02.

Reported the same back with the following amendments:

Strike everything after the enacting clause and insert the following:

"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 ten 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, 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.*

Sec. 2. Minnesota Statutes 1976, Section 6.62, Subdivision 1, is amended to read:

6.62 [POST-AUDIT; TAX LEVY.] Subdivision 1. [LEVY OF TAX.] Counties, cities(,) and towns(, AND SCHOOL DISTRICTS) are authorized, if necessary, to levy, over and above tax levy limitations for other governmental purposes, an amount sufficient to pay the expense of a post-audit by the state auditor.

*A school district is authorized to levy an amount sufficient to pay for the expense of a post-audit by the state auditor if the audit is performed at the discretion of the state auditor pursuant to section 6.51 or if the audit has been requested through a petition by freeholders pursuant to section 6.54. A school district is not authorized to levy these amounts if the post-audit by the state auditor is requested by the school board pursuant to section 6.55.*

Sec. 3. Minnesota Statutes 1976, Section 121.904, Subdivision 7, is amended to read:

Subd. 7. Summer school aids shall be recognized as revenues and recorded as receivables (DURING THE) *in proportion to the total number of summer school days in each fiscal year in which (THE) a summer school session (ENDS) occurs*; provided that nothing in this subdivision shall be construed to provide for a different rate of aid than that provided in section 124.20.

Sec. 4. Minnesota Statutes 1976, Section 121.904, is amended by adding a subdivision to read:

*Subd. 11a. Beginning with payments received in fiscal year 1978, revenues received pursuant to sections 294.21 to 294.28; 298.23 to 298.28; 298.32; 298.34 to 298.39; 298.391 to 298.396;*



*298.405; 298.51 to 298.67; any law imposing a tax on severed mineral values or any other law distributing proceeds in lieu of ad valorem tax assessments on copper or nickel properties, shall be recognized as revenue in the school year received.*

Sec. 5. *The year end fund balances for the 1977 school year shall be adjusted as though the provisions of section 4 of this act had been effective at that time and the June 30, 1977 statutory operating debt of a district which received payment pursuant to the provisions specified in section 4 of this act shall be recertified by the commissioner as though the revenue recognition provisions of section 4 of this act had been effective at that time.*

Sec. 6. Minnesota Statutes, 1977 Supplement, Section 121.912, Subdivision 1, is amended to read:

121.912 [PERMANENT FUND TRANSFERS.] Subdivision 1. After July 1, 1977, no school district shall permanently transfer money from an operating fund to a nonoperating fund (; PROVIDED, HOWEVER, THAT) *except as provided in this subdivision. Permanent transfers may be made from an operating fund to any other fund to correct for prior fiscal years' errors discovered after the books have been closed for that year (AND). Permanent transfers may be made from the general fund to eliminate deficits in another fund when that other fund is being discontinued. Permanent transfers may be made from the general fund to the capital expenditure fund of a post-secondary vocational-technical school in the amount and for the purposes authorized by the state board for vocational education in approving the school's budget pursuant to section 124.561.*

Sec. 7. Minnesota Statutes 1976, Section 122.22, Subdivision 9, is amended to read:

Subd. 9. An interlocutory order issued under subdivision 8(b) shall contain:

(a) A statement that the dissolution of the district is proposed.

(b) A description, by words or plat or both showing proposed disposition of territory in district to be dissolved.

((C) A STATEMENT SHOWING THE PROPOSED DISTRIBUTION OF THE CURRENT ASSETS AND LIABILITIES OF THE DISTRICT TO BE DISSOLVED, REAL AND PERSONAL. IF THE ORDER PROVIDES FOR THE TRANSFER OF AN INTEREST IN REAL ESTATE TO A DISTRICT, THE ORDER MAY ALSO IMPOSE A DOLLAR AMOUNT AS A CLAIM AGAINST THAT DISTRICT IN FAVOR OF OTHER DISTRICTS WHICH CLAIM SHALL BE PAID AND

**ENFORCED IN THE MANNER PROVIDED BY LAW FOR THE PAYMENT OF JUDGMENTS AGAINST A DISTRICT.)**

**((D)) (c)** The outstanding bonded debt of the district to be dissolved.

**((E)) (d)** A proposed effective date of the order (NOT LATER THAN), *which shall be the first July 1 (NEXT FOLLOWING ITS ISSUANCE BUT NOT LESS THAN 45 DAYS FROM) of an odd-numbered year which occurs at least three months after the date of the order.*

**((F)) (e)** Such other information as the county board may desire to include.

The auditor shall within ten days from its issuance serve a copy of the interlocutory order by mail upon the clerk of the district proposed for dissolution and upon the clerk of each district to which it is proposed to attach any territory by the order and upon the auditor of each other county in which all or any part of the district proposed for dissolution or any district to which it is proposed to attach territory lies, and upon the commissioner.

Sec. 8. Minnesota Statutes 1976, Section 122.22, is amended by adding a subdivision to read:

*Subd. 20. If the dissolved district is not divided by the order of dissolution and attachment, all of its current assets and liabilities, real and personal, and all its legally valid and enforceable claims and contract obligations shall pass to the district to which it is attached, except as provided in section 14 of this act. If the district to be dissolved is divided by the interlocutory order of dissolution and attachment, the commissioner shall, within 30 days after the interlocutory order is issued, issue his order for the distribution of its current assets and liabilities, real and personal. If the commissioner's order provides for the transfer of an interest in real estate to a district, this order may also impose a dollar amount as a claim against that district in favor of other districts and this claim shall be paid and enforced in the manner provided by law for the payment of judgments against a district. The obligations of districts to the teachers employed by the dissolved district shall be governed by the provisions of section 14, of this act.*

Sec. 9. Minnesota Statutes 1976, Section 122.23, Subdivision 13, is amended to read:

Subd. 13. If a majority of the votes cast on the question at the election approve the consolidation, and if the necessary approving resolutions of boards entitled to act on the plat have been adopted, the county auditor shall, within ten days of the

election or of the expiration of the period during which an election can be called, issue his order setting a date (NOT LATER THAN JULY 1 NEXT FOLLOWING THE ELECTION) for the effective date of the change, which shall be the first July 1 of an odd-numbered year which occurs at least three months after the day when the date must be set. He shall mail or deliver a copy of such order to each auditor holding a copy of the plat and to the clerk of each district affected by the order and to the commissioner. If the election fails, the proceedings are terminated and the county auditor shall so notify the commissioner and the auditors and the clerk of each school district affected.

Sec. 10. Minnesota Statutes 1976, Section 122.23, Subdivision 15, is amended to read:

Subd. 15. If no district is divided by virtue of the proceedings, all of the assets, real and personal, of the districts involved and all legally valid and enforceable claims and contract obligations of the districts pass to the new district, *except as provided in section 14 of this act*. If a district is divided by virtue of the proceedings, upon receipt of the order of the commissioner, the auditor of the county containing the greatest land area of the new district shall present a copy of the plat and supporting statement and orders issued in the proceedings to the commissioner, together with such information as is available to him concerning the assets and liabilities not secured by bonds of each district, any part of which is included in the newly created district. Thereafter within 30 days the commissioner shall issue his order providing for a division of the assets and liabilities of the districts involved and apportioning and dividing these assets and liabilities according to such terms as he may deem just and equitable. In making this division of assets and liabilities, the commissioner may consider the amount of bonded debt to be assumed by property in each area under the provisions of this section. If the order of consolidation transfers any real estate interest to the new district or to another district, the order apportioning assets and liabilities may impose a dollar claim on the district receiving the real estate in favor of any other district involved in an amount not exceeding the reasonable value of the real estate interest involved, which claim shall be paid in the manner provided by law for the enforcement of judgments.

Sec. 11. Minnesota Statutes 1976, Section 122.23, Subdivision 18, is amended to read:

Subd. 18. (a) If no board is provided for under the foregoing provision, upon receipt of the assigned identification number, the county auditor shall determine a date, not less than 20 nor more than 60 days from the date of the receipt by him of the assigned identification number, upon which date shall be held a special election in the district for the purpose of elect-

ing a board of six members for terms as follows: two until *the* July (FOLLOWING THE NEXT ANNUAL ELECTION) *1 one year after the effective date of the consolidation*, two until the expiration of one year from said July 1, and two until the expiration of two years from said July 1, to hold office until a successor is elected and qualifies according to provisions of law governing the election of board members in independent districts.

(b) The county auditor shall give ten days' posted notice of election in the area in which the election is to be held and also if there be a newspaper published in the proposed new district, one weeks' published notice shall be given. The notice shall specify the time, place and purpose of the election.

(c) The county may pay the election judges not to exceed \$1 per hour for their services.

(d) Any person desiring to be a candidate for a school election shall file an application with the county auditor to have his name placed on the ballot for such office, specifying the term for which the application is made. The application shall be filed not less than 12 days before the election.

(e) The county auditor shall prepare, at the expense of the county, necessary ballots for the election of officers, placing thereon the names of the proposed candidates for each office. The ballots shall be marked and signed as official ballots and shall be used exclusively at the election. The county auditor shall determine the number of voting precincts and the boundaries of each. He shall determine the location of polling places and the hours the polls shall be open. He shall appoint three election judges for each polling place who shall act as clerks of election. Election judges shall certify ballots and results to the county auditor for tabulation and canvass.

(f) Upon canvass and tabulation by the county auditor he shall issue a certificate of election to the candidate for each office who received the largest number of votes cast for the office. He shall deliver such certificate to the person entitled thereto by registered mail, and each person so certified shall file an acceptance and oath of office with the county auditor within 30 days of the date of mailing of the certificate. A person who fails to qualify prior to the time specified shall be deemed to have refused to serve, but such filing may be made at any time before action to fill vacancy has been taken.

(g) The board of each district included in the new enlarged district shall continue to maintain school therein until (JULY 1 NEXT FOLLOWING) *the effective date of the consolidation*, but such boards shall have power and authority only to make such contracts (AND), to do such things as are necessary to

maintain properly the schools for the period they may be in session prior to (SAID FIRST DAY OF JULY) *that date, and to certify to the county auditor, according to levy limitations applicable to the component districts, the taxes collectible in the calendar year when the consolidation becomes effective.*

(h) It shall be the immediate duty of the newly elected board of the new enlarged district, when the members thereof have qualified and the board has been organized, to plan for the maintenance of the school or schools of the new district for the next school year (AND), to enter into the necessary contracts *and negotiations* for the employment of personnel, purchase of equipment and supplies, and other acquisition and betterment purposes (AND), when authorized by the voters to issue bonds under the provisions of chapter 475; and on (SAID JULY 1) *the effective date of the consolidation* to assume the full duties of the care, management and control of the new enlarged district. The board of the new enlarged district shall give due consideration to the feasibility of maintaining such existing attendance centers and of establishing such other attendance centers, especially in rural areas, as will afford equitable and efficient school administration and assure the convenience and welfare of the pupils residing in the enlarged district. *The obligations of the new board to teachers employed by component districts shall be governed by the provisions of section 14 of this act.*

Sec. 12. Minnesota Statutes 1976, Section 122.46, Subdivision 2, is amended to read:

Subd. 2. (CONTINUING CONTRACT TEACHERS ON THE STAFFS OF PARTICIPATING DISTRICTS SHALL BE RETAINED ON THE STAFF OF THE CONSOLIDATED DISTRICTS IN POSITIONS FOR WHICH THEY ARE QUALIFIED UNDER STATE LAW AND EXISTING BOARD STANDARDS TO THE EXTENT THAT SUCH POSITIONS STILL EXIST) *The obligations of the boards of consolidated districts to teachers employed by participating districts shall be governed by the provisions of section 14 of this act.*

Sec. 13. Minnesota Statutes 1976, Chapter 122, is amended by adding a section to read:

[122.531] [LEVY LIMITATIONS OF REORGANIZED DISTRICTS.] *Subdivision 1. As of the effective date of the involuntary dissolution of a district and its attachment to one or more existing districts pursuant to sections 122.32 or 122.41 to 122.52, the authorization for any referendum levy previously approved by the voters of the dissolved district in that district pursuant to section 275.125, subdivision 2a, clause (4), or its predecessor or successor provision, is cancelled. The authorization for any referendum levy previously approved by the voters of a district to which all or part of the dissolved district is at-*

*tached shall not be affected by the attachment and shall apply to the entire area of the district as enlarged by the attachment.*

*Subd. 2. As of the effective date of a consolidation pursuant to section 122.23 or the voluntary dissolution of a district and its attachment to one or more existing districts pursuant to section 123.22, the authorization for all referendum levies previously approved by the voters of all affected districts for those districts pursuant to section 275.125, subdivision 2a, clause (4), or its predecessor or successor provision, is cancelled. However, if all of the territory of any independent district is included in the newly created district, and if the adjusted assessed valuation of taxable property in that territory comprises 90 percent or more of the adjusted assessed valuation of all taxable property in a newly created or enlarged district, the board of the newly created or enlarged district may levy the increased amount previously approved by a referendum in the pre-existing independent district upon all taxable property in the newly created or enlarged district. Any new referendum levy shall be certified only after approval is granted by the voters of the entire newly created or enlarged district in an election pursuant to section 275.125, subdivision 2a, clause (4), or its successor referendum provision.*

*Subd. 3. (1) In the year when any consolidation of districts or dissolution of a district and its attachment to one or more existing districts pursuant to this chapter becomes effective, any newly created or enlarged district may levy an amount per pupil unit which is equal to the sum of the products of the amounts per pupil unit levied pursuant to section 275.125, subdivisions 6 or 7, in each component district in the previous year times the number of pupil units from that component district who are enrolled in the newly created or enlarged district in the year of the levy, divided by the total number of pupil units in the newly created or enlarged district in the year of the levy.*

*(2) In each year thereafter, the newly created district may levy the same amount per pupil unit as allowed by clause (1) of this subdivision.*

*(3) The provisions of section 275.125, subdivisions 6 or 7, shall not apply to any district affected by the provisions of this subdivision.*

*(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).*

*Subd. 4. As of the effective date of a consolidation of districts or the dissolution of a district and its attachment to one or more existing districts pursuant to this chapter, and subject to the conditions of section 275.125, subdivision 9a, all the tax-*

able property which is in the newly created or enlarged district and which was previously taxable for the payment of any statutory operating debt theretofore incurred by any pre-existing district of which the taxable property was a part prior to the consolidation or dissolution and attachment shall remain taxable for the payment of that debt and shall not become taxable for the payment of any statutory operating debt theretofore incurred by any pre-existing district of which the taxable property was not a part prior to the consolidation or dissolution and attachment. The amount of statutory operating debt attributable to that taxable property and to the newly created or enlarged district in which it is located, and the amount of a pre-existing district's appropriated fund balance reserve account for purposes of reducing statutory operating debt attributable to the newly created or enlarged district, shall be apportioned according to the proportion which the adjusted assessed valuation of that part of the pre-existing district bears to the total adjusted assessed valuation of the entire pre-existing district at the time of the consolidation or dissolution and attachment. This apportionment shall be made by the county auditor and shall be incorporated as an annex to the order of the commissioner dividing the assets and liabilities of the component districts. As used in this section, "statutory operating debt" shall have the meaning given it in section 121.914.

Sec. 14. Minnesota Statutes 1976, Chapter 122, is amended by adding a section to read:

[122.532] [EMPLOYEES OF REORGANIZED DISTRICTS.] *Subdivision 1.* For purposes of this section, the term "teacher" shall have the meaning attributed to it in section 125.12, subdivision 1.

*Subd. 2.* As of the effective date of any consolidation or the dissolution of any district and its attachment to one or more existing districts, each teacher employed by an affected district shall be assigned to the newly created or enlarged district in which is located the building where that teacher was primarily employed prior to the consolidation or dissolution and attachment.

*Subd. 3.* The organization certified as the exclusive bargaining representative for the teachers in the particular pre-existing district which employed the largest proportion of the teachers who are assigned to a new employing district according to subdivision 2 shall be certified as the exclusive bargaining representative for the teachers assigned to that new employing district, until that organization is decertified or another organization is certified in its place pursuant to sections 179.61 to 179.77. If no new contract has been executed as of the effective date of the consolidation or dissolution and attachment, the terms and conditions of employment of teachers assigned to the new employing district shall be temporarily governed by the contract

*executed by that exclusive bargaining representative and that particular pre-existing district, until a new contract is executed between the newly elected board or the board of the district to which a dissolved district is attached and the exclusive bargaining representative. For purposes of negotiation of a new contract with the board of the new employing district and the certification of an exclusive bargaining representative for purposes of that negotiation, the teachers assigned to that district shall be considered an appropriate unit of employees of that district as of the date the county board orders its interlocutory order of dissolution and attachment to be final and effective or as of the date the commissioner assigns an identification number to a new district created by consolidation. During the school year before the consolidation becomes effective, the newly elected board or the board of the district to which a dissolved district is attached, may place teachers assigned to it on unrequested leave of absence as provided in section 125.12 according to (a) a plan negotiated in a new master contract between it and the exclusive bargaining representative of the teachers assigned to it, or (b) if no such plan exists, an applicable plan negotiated in the contract which according to this subdivision will temporarily govern the terms and conditions of employment of teachers assigned to it, or (c) if no plan exists pursuant to either (a) or (b), the provisions of section 125.12, subdivision 6b, on the basis of a combined seniority list of all teachers assigned to it.*

*Subd. 4. Except as provided in this section, the provisions of sections 125.12 or 125.17 shall apply to the employment of each teacher by the new employing district on the same basis as they would have applied to his employment if he had been employed by that new district before the effective date of the consolidation or dissolution and attachment. For the purpose of applying the provisions of subdivision 2, clause (b), and the provisions of section 125.12, subdivision 6b, pursuant to this section, a teacher's date of first employment shall be the date he began continuous employment in the pre-existing district which employed him.*

Sec. 15. Minnesota Statutes 1976, Chapter 122, is amended by adding a section to read:

[122.533] [EXPENSES OF TRANSITION.] *The newly elected board of a newly created district pursuant to section 122.23 or the board of a district to which a dissolved district is attached pursuant to section 122.22, may, for the purpose of paying the expenses of negotiations and other administrative expenses relating to the transition, enter into agreements with banks or any person to take its orders at any rate of interest not to exceed six percent per annum. These orders shall be paid by the treasurer of the district from district funds after the effective date of the consolidation or dissolution and attachment. Notwithstanding the provisions of section 275.125, the district may, in the year the consolidation or dissolution and attachment*



*becomes effective, levy an amount equal to the amount of the orders issued pursuant to this subdivision and the interest on these orders. No district shall issue orders for funds or make a levy pursuant to this subdivision without the commissioner's approval of the expenses to be paid with the funds from the orders and levy.*

Sec. 16. Minnesota Statutes, 1977 Supplement, Section 122.85, Subdivision 1, is amended to read:

122.85 [EXPERIMENTAL PAIRING.] Subdivision 1. Notwithstanding the provisions of sections 122.41 and 122.43, the board of any school district paired with another in this section upon approval by the school boards of both of the paired districts may enter into an agreement providing for the discontinuance by one district of any of grades kindergarten through 12 or portions of those grades and the instruction in the other district of the pupils in the discontinued grades or portions of grades. This provision shall apply on an experimental basis to the following pairs of school districts: Independent School Districts No. 217 and No. 220, No. 328 and No. 516, No. 440 and No. 444, No. 649 and No. 650, No. 654 and No. 655, No. 782 and No. 783, and No. 893 and No. 896. These experimental pairing agreements shall not extend beyond June 30, 1980.

Sec. 17. Minnesota Statutes 1976, Section 123.37, Subdivision 1b, is amended to read:

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

*Notwithstanding the provisions of subdivision 1 or section 574.26, a performance bond shall be required of a contractor on a contract for the transportation of school children only when and in the amount deemed necessary by and at the discretion of the school board.*

Sec. 18. Minnesota Statutes 1976, Section 123.39, is amended by adding a subdivision to read:

Subd. 9b. *The liability for torts of a person furnishing authorized transportation of pupils by contract with a school dis-*

*strict pursuant to this section, and the liability of the officers, employees and agents of such a contractor for a tort arising out of an alleged act or omission occurring in the performance of duty, shall not exceed*

(a) \$200,000 for personal injuries to any one claimant;

(b) \$1,000,000 for personal injuries in any number of claims arising out of a single occurrence.

*Where the amount awarded to or settled upon multiple claimants exceeds \$1,000,000, any party may apply to any district court to apportion to each claimant his proper share of the total amount as limited by this subdivision. The share apportioned to each claimant shall be in the proportion that the ratio of the award or settlement made to him bears to the aggregate awards and settlements against the school bus contractor for all claims arising out of the occurrence.*

Sec. 19. Minnesota Statutes, 1977 Supplement, Section 124.17, Subdivision 1, is amended to read:

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

(1) In an elementary school, for kindergarten (AND FOR HANDICAPPED PRE-KINDERGARTEN PUPILS AS DEFINED IN SECTION 120.03, AND) pupils enrolled in one-half day sessions throughout the school year or the equivalent thereof, and for handicapped pre-kindergarten pupils as defined in section 120.03, 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.

(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 who is enrolled in the school district on October 1 shall be counted as an additional five-tenths pupil unit. By March 1 of each year the department of public welfare 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 who were enrolled in the school district on the preceding October 1 which is necessary to calculate pupil units. Additional aids to a district for such pupils may be distributed on a delayed basis until the department of education

publicly certifies that the information needed for paying such aids is available on such a timely basis that such aids may be paid concurrently with other foundation aids.

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

(6) Where the total pupil units of a district are used as a multiplier in determining foundation aids and spending and levy limitations and where the actual number of pupil units has decreased from the prior year, the number of pupil units shall equal the greater of (a) the average of actual pupil units in the district for the (TWO) *three* prior years and the current 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 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. 20. Minnesota Statutes, 1977 Supplement, Section 124.17, Subdivision 2, is amended to read:

Subd. 2. Membership for pupils in grades kindergarten through twelve and for handicapped pre-kindergarten 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) *receiving instruction in the home or hospital* for 15 consecutive school days shall be dropped from the roll and classified as withdrawn. Nothing in (EXTRA SESSION LAWS 1971, CHAPTER 31), *this section 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.)*

Sec. 21. Minnesota Statutes 1976, Section 124.17, Subdivision 3, is amended to read:

Subd. 3. In computing pupil units for a prior year, the number of pupil units shall be adjusted to reflect any change for the current year in relative weightings by grade level or category of special assistance (AND), any change in measurement from average daily attendance to average daily membership *and any change in school district boundaries*, but not for the addition for the first time in the current year of a specified category of special assistance as provided in subdivision 1, clause (4).

Sec. 22. Minnesota Statutes, 1977 Supplement, 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 *in a district operating a flexible school year program*. 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 by the ratio that the difference between

175 days and the number of days school is held bears to 175 days, 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. 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. Effective the 1977-1978 school year, not more than five days or *their equivalent* may be devoted to parent-teacher conferences or teachers' workshops as part of the required minimum number of days school is in session.

Sec. 23. 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), (3) summer school classes in elementary and secondary schools, and ((3)) (4) 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; *provided further, that for purposes of computing summer school foundation aid, a district's foundation aid for the regular school year shall be reduced by the amount of the agricultural tax credit included in that foundation aid.* (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.)

Sec. 24. Minnesota Statutes, 1977 Supplement, Section 124.212, Subdivision 5a, is amended to read:

Subd. 5a. (1) In the 1977-1978 school year and each school year thereafter, the amount of money apportioned to a school district (IN) for that year pursuant to section 124.10, subdivision 2 which exceeds the amount apportioned to that district pursuant to section 124.10, subdivision 2 (IN) for the 1976-1977

school year, shall be deducted from the foundation aid earned by that district for the same year.

(2) In addition to the deduction in clause (1), the following amounts apportioned pursuant to section 124.10, subdivision 2 shall be deducted from foundation aid in the school years designated:

(a) In the 1977-1978 school year, one-sixth of the amount apportioned, but not to exceed one-sixth of the amount apportioned (IN) for the 1976-1977 school year;

(b) In the 1978-1979 school year, one-third of the amount apportioned, but not to exceed one-third of the amount apportioned (IN) for the 1976-1977 school year;

(c) In the 1979-1980 school year, one-half of the amount apportioned, but not to exceed one-half of the amount apportioned (IN) for the 1976-1977 school year;

(d) In the 1980-1981 school year, two-thirds of the amount apportioned, but not to exceed two-thirds of the amount apportioned (IN) for the 1976-1977 school year; and

(e) In the 1981-1982 school year, five-sixths of the amount apportioned, but not to exceed five-sixths of the amount apportioned (IN) for the 1976-1977 school year.

(3) In the 1982-1983 school year and each school year thereafter, the entire amount of money apportioned to a school district in that year pursuant to section 124.10, subdivision 2, shall be deducted from the foundation aid earned by that district for the same year.

Sec. 25. Minnesota Statutes, 1977 Supplement, Section 124.212, Subdivision 8a, is amended to read:

Subd. 8a. (1) Notwithstanding any provisions of any other law to the contrary, the adjusted assessed valuation used in calculating foundation aid shall include only that property which is currently taxable in the district. For districts which received payments under sections 124.215, subdivision 2a; 124.25; 124.28; 124.30; 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 50 percent 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 October adjustment payment by the (PREVIOUS FISCAL YEAR'S PAYMENT TO THE DISTRICT PURSUANT TO SAID SECTIONS TIMES THE RATIO OF THE MAXIMUM LEVY ALLOWED THE DISTRICT UNDER SECTION 275.125, SUBDIVISION 2A, TO THE TOTAL LEVY ALLOWED BY SECTION 275.125 FOR COLLECTION IN THE CALENDAR YEAR ENDING DURING THE AFOREMENTIONED FISCAL YEAR, BUT NOT TO EXCEED 50 PERCENT OF THE PREVIOUS FISCAL YEAR'S PAYMENT) *difference between the dollar amount of the payments received pursuant to those sections in the fiscal year to which the October adjustment is attributable and the amount which was calculated, pursuant to section 275.125, subdivision 9, as a reduction of the levy attributable to the fiscal year to which the October adjustment is attributable.* If the October adjustment of a district's foundation aid for a fiscal year is a negative amount because of this clause, the next fiscal year's foundation aid to that district shall be reduced by this negative amount *in the following manner: there shall be withheld from each monthly scheduled foundation aid payment due the district in such fiscal year, 15 percent of the total negative amount, until the total negative amount has been withheld.* The amount reduced from foundation aid pursuant to this clause shall be recognized as revenue in the fiscal year to which the October adjustment payment is attributable.

Sec. 26. Minnesota Statutes, 1977 Supplement, Section 124.213, Subdivision 1, is amended to read:

124.213 [AID RECAPTURE.] Subdivision 1. 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 sum of the levy as certified plus the amount of any reductions pursuant to section 275.125, subdivision 9, of the maximum levy*, 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 education aid pursuant to section 124.32. 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. 27. Minnesota Statutes, 1977 Supplement, Section 124-222, Subdivision 6, is amended to read:

Subd. 6. [BASE COST ADJUSTMENTS.] For the purposes of payment of transportation aids in the 1978 fiscal year and thereafter, the commissioner of education may adjust the base cost per eligible pupil transported during the 1976 fiscal year to reflect changes in costs resulting from the following:

(a) Alterations in school district boundaries if application is made prior to December 15 of the school year following the year in which the alterations are made;

(b) Omissions in school district reports if application is made prior to December 15, 1977;

(c) The addition by the district of an authorized transportation aid category if that category of transportation was not provided during the 1976 fiscal year if application is made prior to December 15 of the school year following the year in which the additional transportation is provided;

(d) Omissions in school district reports determined by the legislative auditor;

(e) Increased costs resulting from changes in transportation patterns required by a schoolhouse closing provided that (1) the cost increases can be demonstrated to be a direct result of the closing; (2) the increases result in costs above the formula limitation; and (3) application is made prior to December 15 of the school year following the last school year in which the schoolhouse is open;

*(f) Increased costs resulting from changes in transportation patterns caused by a schoolhouse opening provided that (1) the cost increases can be demonstrated to be a direct result of the opening; (2) the increases result in costs above the formula limitation; and (3) application is made prior to December 15, 1978 or December 15 of the school year following the first school year in which the schoolhouse is open, whichever is later.*

In the 1978 fiscal year and thereafter, the commissioner shall appropriately adjust the base cost per eligible pupil transported during the 1976 fiscal year to reflect changes in the treatment of depreciation and qualification for depreciation aid resulting from changes in school bus fleet ownership from district owned and managed to privately owned and contracted or from privately owned and contracted to district owned and managed. Districts



shall report any such changes to the commissioner within 60 days of the date the changes are made.

Prior to making any base cost change pursuant to this subdivision, the department shall examine the appropriate factors that relate to the determination of the authorized transportation costs and aid for that district.

Sec. 28. Minnesota Statutes, 1977 Supplement, Section 124.245, Subdivision 1, is amended to read:

124.245 [CAPITAL EXPENDITURE EQUALIZATION AID.] Subdivision 1. *In 1977-1978 and 1978-1979, the state shall pay a school district the difference by which an amount equal to \$75 per pupil unit in that school year or, in districts where the pupil unit count is increased pursuant to section 124.17, subdivision 1, clause (7), \$80 per pupil unit in that school year, exceeds the amount raised by 10 mills times the adjusted assessed valuation of the taxable property in the district for the preceding year. In order to qualify for aid pursuant to this section in any year, a district must have levied the full 10 EARC mills for use for capital expenditures in that year pursuant to sections 124.04 or 275.125, subdivision 11a.*

Sec. 29. Minnesota Statutes, 1977 Supplement, Section 124.245, is amended by adding a subdivision to read:

*Subd. 1a. In 1979-1980 and each year thereafter, the state shall pay a school district the difference by which (a) an amount equal to \$80 per pupil unit in that school year, or (b) in districts where the number of actual pupil units has increased by not less than two and not more than five percent from the prior to the current school year, \$85 per pupil unit in that school year, or (c) in districts where the number of actual pupil units has increased by five percent or more from the prior to the current school year, \$90 per pupil unit in that school year, exceeds the amount raised by 10 mills times the adjusted assessed valuation of the taxable property in the district for the preceding year. In order to qualify for aid pursuant to this section in any year, a district must have levied the full 10 EARC mills for use for capital expenditures in that year pursuant to section 275.125, subdivision 11a.*

Sec. 30. Minnesota Statutes, 1977 Supplement, Section 124.245, Subdivision 2, is amended to read:

Subd. 2. As used in this section, pupil units shall include only those units identified in section 124.17, subdivision 1, clauses (1), (2), (4), (5), (6) and (7) and actual pupil units shall include only those units identified in section 124.17, subdivision 1, clauses (1) and (2).

Sec. 31. Minnesota Statutes, 1977 Supplement, Section 124.32, Subdivision 1b, is amended to read:

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 60 percent of the difference between the amount of the contract and the foundation aid formula allowance of the district for that pupil (OR), a pro rata portion of the foundation aid formula allowance for pupils who receive services by contract on less than a full time basis *or, in the case of summer school programs, the foundation aid to the district for that pupil.*

Sec. 32. Minnesota Statutes, 1977 Supplement, Section 124.32, Subdivision 5, is amended to read:

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 60 percent of *the difference between the instructional costs charged to the resident district, (LESS) and the foundation aid formula allowance in the resident district for each handicapped child placed in a residential facility.* Not more than (\$500,000) *\$550,000* for 1977-1978 and \$600,000 for 1978-1979 shall be paid for the purposes of this subdivision. 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 *the state or 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.

Sec. 33. Minnesota Statutes, 1977 Supplement, Section 124.32, is amended by adding a subdivision to read:

*Subd. 12. Beginning in the 1977-1978 school year, the commissioner of education may withhold state special education aid pursuant to this section for personnel salaries, supplies and equipment in special education programs which receive grants from federal funds or special grants from other state sources. In no event shall this withholding result in the payment of less state special education aid than was paid for personnel salaries, supplies and equipment in programs that were operating during the 1976-1977 school year.*

Sec. 34. Minnesota Statutes, 1977 Supplement, Section 124.38, Subdivision 7, is amended to read:

Subd. 7. "Maximum effort debt service levy" means the lesser of (1) a levy in a total dollar amount computed as 20 mills on the adjusted assessed value; or (2) a levy in whichever of the following amounts is applicable:

(a) In any school district which received a debt service or capital loan from the state before January 1, 1965, a levy in a total dollar amount 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;

(b) In any school district granted a debt service or capital loan between January 1, 1965, and July 1, 1969, a levy in a total dollar amount computed as 5 1/2 mills on the market value in each year, until and unless the district receives an additional loan; (OR)

(c) In any school district granted a debt service or capital loan between July 1, 1969 and July 1, 1975, a levy in a total dollar amount computed as 6.3 mills on market value in each year until and unless the district has received an additional loan; or

(d) *In any school district which has an outstanding capital loan, a levy in a total dollar amount equal to the sum of the amount of the required debt service levy and an amount which when levied annually will be sufficient to retire the remaining interest and principal on any outstanding loans from the state within 30 years of the original date when the capital loan was granted; provided, that the school board in any district affected by the provisions of this clause may elect instead to be governed by the provisions of clause (1) of this subdivision.*

Sec. 35. Minnesota Statutes, 1977 Supplement, Section 124.562, Subdivision 1, is amended to read:

124.562 [POST-SECONDARY VOCATIONAL FOUNDATION AID.] Subdivision 1. A district shall receive post-secondary vocational foundation aid in the amount of \$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, and (2) the amount raised by the minimum levy required 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. 36. Minnesota Statutes, 1977 Supplement, Section 124.572, Subdivision 2, is amended to read:

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, licensed 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 EDUCATION PROGRAMS) *In no event shall a district or center receive for an adult vocational program a total amount of state aid pursuant to this section and funds from other sources which exceeds 100 percent of the amount of its expenditures for salaries and travel in the program.*

Sec. 37. Minnesota Statutes, 1977 Supplement, Section 124.573, Subdivision 2, is amended to read:

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, licensed 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 equipment for these programs (AND), 50 percent of the costs of necessary travel between instructional sites by secondary vocational education teachers and 50 percent of the costs of travel by secondary vocational education teachers to and from vocational student organization meetings within the state. (THE AID PAID BY THE STATE FOR SALARIES, EQUIPMENT 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) *In no event shall a district or center receive for a secondary vocational program a total amount of state aid pursuant to this section and funds from other sources which exceeds 100 percent of the amount of its expenditures for salaries, equipment and travel in the program.*

Sec. 38. Minnesota Statutes 1976, Chapter 124, is amended by adding a section to read:

[124.574] [SECONDARY VOCATIONAL EDUCATION FOR HANDICAPPED CHILDREN.] *Subdivision 1. The purpose of this section is to provide a method to fund programs for secondary vocational education for handicapped children. As used in this section, the term "handicapped children" shall have the meaning ascribed to it in section 120.03.*

*Subd. 2. In the 1978-1979 school year and thereafter, the state shall pay to any district or cooperative center the greater of:*

*(a) 50 percent of the salaries paid to essential licensed personnel in that school year for services rendered in that district's or center's secondary vocational education programs for handicapped children; or*

*(b) 65 percent of the salaries paid to essential licensed personnel in that school year for services rendered in that district's or center's secondary vocational education programs for handicapped children, but not to exceed \$12,000 for the normal school year for each such full time person employed, or a pro rata amount for a part time person or a person employed for a limited time; plus an additional five percent of the salaries paid such essential licensed personnel.*

*Subd. 3. In addition to the provisions of subdivision 2, the state shall pay:*

*(a) 50 percent of the costs of necessary equipment for these secondary vocational education programs for handicapped children;*

*(b) 50 percent of the costs of necessary travel between instructional sites by secondary vocational education teachers of handicapped children, but not including travel to and from local, regional, district, state or national vocational student organization meetings; and*

*(c) 50 percent of the costs of necessary supplies for these secondary vocational education programs for handicapped children, but not to exceed an average of \$50 in any one school year for each handicapped child receiving these services.*

*Subd. 4. In addition to the provisions of subdivisions 2 and 3 of this section, a school district may contract with a public or private agency other than a Minnesota school district or cooperative center for the provision of secondary vocational education programs for handicapped children. The formula for payment of aids for these contracts in the 1978-1979 school year and thereafter shall be that provided in section 124.32, subdivision 1b. The state board shall promulgate rules relating to approval procedures and criteria for these contracts and aid shall be paid only for contracts approved by the commissioner of education. For the purposes of subdivision 6 of this section, the district or cooperative center contracting for these services shall be construed to be providing these services. For the purposes of subdivision 8 of this section, aid for these contracts shall be distributed on the same basis as aids for salaries, supplies and travel.*

*Subd. 5. The aid provided pursuant to this section shall be paid only for services rendered as designated in subdivision 2 or for the costs designated in subdivision 3 which are incurred in secondary vocational education programs for handicapped children which are approved by the commissioner of education and operated in accordance with rules promulgated by the state board. These rules shall be subject to the restrictions provided in section 124.573, subdivision 3. The procedure for application for approval of these programs shall be as provided in section 124.32, subdivisions 7 and 10 and the application review process shall be conducted jointly by the division of special and compensatory education and the division of vocational-technical education of the state department.*

*Subd. 6. All aid pursuant to this section shall be paid to the district or cooperative center providing the services. All aid received by a district or center from any source for secondary vocational education for handicapped children shall be utilized solely for that purpose.*

*Subd. 7. A district shall not receive aid pursuant to section 124.32 or section 124.573 for salaries, supplies, travel or equipment for which the district receives aid pursuant to this section.*

*Subd. 8. All aid pursuant to this section shall be distributed at the same times and in the same manner as provided in section 124.573, subdivision 5. Aid for supplies shall be distributed at the same time as aid for salaries and travel.*

**Sec. 39. Minnesota Statutes 1976, Section 124.74, is amended to read:**

**124.74 [ENABLING RESOLUTION; FORM OF CERTIFICATES OF INDEBTEDNESS.]** The board may authorize and effect such borrowing, and may issue such certificates of indebtedness upon passage of a resolution specifying the amount and purposes for which it deems such borrowing is necessary,

which resolution shall be adopted by a vote of at least two thirds of its members. The board shall fix the amount, date, maturity, form, denomination, and other details thereof, not inconsistent herewith, and shall fix the date and place for receipt of bids for the purchase thereof *when bids are required* and direct the clerk to give notice thereof.

Sec. 40. Minnesota Statutes 1976, Section 124.76, is amended to read:

124.76 [SALE OF CERTIFICATES; DISBURSEMENT OF PROCEEDS.] *Subdivision 1.* The clerk of the board shall give notice of the proposed sale as required by chapter 475. At the time and place so fixed, such certificates may be sold by the board, or its officers if authorized by the board, to the bidder who will agree to purchase the same on terms deemed most favorable to the district. Such certificates shall be executed and delivered as required by chapter 475. The money so received shall be disbursed solely for the purposes for which such taxes are levied or aids are receivable. The purchaser of such certificates shall not be obligated to see to such application of the proceeds.

*Subd. 2. Public sale of tax and aid anticipation certificates of indebtedness according to subdivision 1 shall not be required if the proposed borrowing is in an amount less than \$200,000, and if the sum of all outstanding tax and aid anticipation certificates issued by the board within the preceding six months does not exceed \$200,000. If no public sale is held, the certificates of indebtedness must be sold in accordance with the most favorable of two or more proposals solicited privately.*

Sec. 41. Minnesota Statutes 1976, Section 125.12, Subdivision 6a, is amended to read:

Subd. 6a. [NEGOTIATED UNREQUESTED LEAVE OF ABSENCE.] The school board and the exclusive bargaining representative of the teachers may negotiate a plan providing for unrequested leave of absence without pay or fringe benefits for as many teachers as may be necessary because of discontinuance of position, lack of pupils, financial limitations, or merger of classes caused by consolidation of districts. Failing to successfully negotiate such a plan (BY THE BEGINNING DATE OF A NEW MASTER CONTRACT), the provisions of subdivision 6b shall apply. The provisions of section 179.72 shall not apply for the purposes of this subdivision.

Sec. 42. Minnesota Statutes 1976, Section 125.12, Subdivision 6b, is amended to read:

Subd. 6b. [UNREQUESTED LEAVE OF ABSENCE.] The school board may place on unrequested leave of absence, without pay or fringe benefits, as many teachers as may be nec-

essary because of discontinuance of position, lack of pupils, financial limitations, or merger of classes caused by consolidation of districts. The unrequested leave shall be effective at the close of the school year. In placing teachers on unrequested leave, the board shall be governed by the following provisions:

(a) The board may place probationary teachers on unrequested leave first in the inverse order of their employment. No teacher who has acquired continuing contract rights shall be placed on unrequested leave of absence while probationary teachers are retained in positions for which the teacher who has acquired continuing contract rights is certified;

(b) Teachers who have acquired continuing contract rights shall be placed on unrequested leave of absence in fields in which they are certified in the inverse order in which they were employed by the school district. (IN THE CASE OF MERGER OF CLASSES CAUSED BY CONSOLIDATION OF DISTRICTS OR) In the case of equal seniority, the order in which teachers who have acquired continuing contract rights shall be placed on unrequested leave of absence in fields in which they are certified shall be negotiable;

(c) Notwithstanding clauses (a) and (b), if either the placing of a probationary teacher on unrequested leave before a teacher who has acquired continuing rights or the placing of a teacher who has acquired continuing contract rights on unrequested leave before another teacher who has acquired continuing contract rights but who has greater seniority would place the district in violation of its affirmative action program, the district may retain the probationary teacher or the teacher with less seniority;

(d) Teachers placed on unrequested leave of absence shall be reinstated to the positions from which they have been given leaves of absence or, if not available, to other available positions in the school district in fields in which they are certified. Reinstatement shall be in the inverse order of placement on leave of absence. The order of reinstatement of teachers who have equal seniority and who are placed on unrequested leave in the same school year shall be negotiable;

**((E) TEACHERS, OTHER THAN PROBATIONARY TEACHERS, TERMINATED UNDER MINNESOTA STATUTES 1971, SECTION 125.12, SUBDIVISION 6, CLAUSE (E), IN THE 1973-74 SCHOOL YEAR SHALL BE REINSTATED TO THE POSITIONS FROM WHICH THEY HAVE BEEN TERMINATED OR, IF NOT AVAILABLE, TO OTHER AVAILABLE POSITIONS IN THE SCHOOL DISTRICT IN FIELDS IN WHICH THEY ARE CERTIFIED. REINSTATEMENT SHALL BE IN THE ORDER OF SENIORITY. THE ORDER OF REINSTATEMENT OF CONTINUING CONTRACT TEACHERS WHO HAVE EQUAL SENIORITY AND**



WHO ARE TERMINATED UNDER MINNESOTA STATUTES 1971, SECTION 125.12, SUBDIVISION 6, CLAUSE (E) IN THE 1973-74 SCHOOL YEAR SHALL BE NEGOTIABLE. THESE TEACHERS SHALL ALSO BE SUBJECT TO CLAUSES (F), (G), (H), (I) AND (K) OF THIS SUBDIVISION.)

((F)) (e) No appointment of a new teacher shall be made while there is available, on unrequested leave, a teacher who is properly certified to fill such vacancy, unless the teacher fails to advise the school board within 30 days of the date of notification that a position is available to him, that he may return to employment and that he will assume the duties of the position to which appointed on a future date determined by the board;

((G)) (f) A teacher placed on unrequested leave of absence may engage in teaching or any other occupation during the period of this leave;

((H)) (g) The unrequested leave of absence shall not impair the continuing contract rights of a teacher or result in a loss of credit for previous years of service;

((I)) (h) *The unrequested leave of absence of a teacher who is placed on unrequested leave of absence prior to January 1, 1978 and who is not reinstated shall continue for a period of two years after which the right to reinstatement shall terminate; the unrequested leave of absence of a teacher who is placed on unrequested leave of absence on or after January 1, 1978 and who is not reinstated shall continue for a period of five years, provided the teacher files with the board by April 1 each year a written statement requesting reinstatement, after which the right to reinstatement shall terminate;*

((J)) (i) The same provisions applicable to terminations of probationary or continuing contracts in subdivisions 3 and 4 shall apply to placement on unrequested leave of absence;

((K)) (j) Nothing in this subdivision shall be construed to impair the rights of teachers placed on unrequested leave of absence to receive unemployment compensation if otherwise eligible.

Sec. 43. Minnesota Statutes, 1977 Supplement, Section 125.60, Subdivision 2, is amended to read:

Subd. 2. 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, as defined in section 354.05, subdivision 13, or the by-laws of the appropriate retirement association, and who has not attained the age of (55) 58 years or over. *The maximum duration*

*of an extended (LEAVES) leave of absence pursuant to this section shall be determined by mutual agreement of the board and the teacher at the time the leave is granted and shall (NOT EXCEED) be at least three but no more than 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.*

Sec. 44. Minnesota Statutes, 1977 Supplement, Section 125.60, Subdivision 3, is amended to read:

Subd. 3. 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 licensed at the beginning of any (OF THE FIRST FIVE) school (YEARS AFTER HIS) year which immediately follows a year of the 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. *The board shall notify the commissioner within 30 days of being notified that a teacher intends to return from an extended leave.*

Sec. 45. Minnesota Statutes, 1977 Supplement, Section 125.60, is amended by adding a subdivision to read:

*Subd. 7. No school board shall grant an extended leave of absence pursuant to this section without applying for and receiving authorization from the commissioner of education. The commissioner of education shall establish deadlines and procedures for applications pursuant to this subdivision and shall approve or disapprove applications pursuant to this subdivision within the limits of the appropriation for the purposes of sections 354.094 and 354A.091.*

Sec. 46. Minnesota Statutes, 1977 Supplement, Section 125.61, Subdivision 1, is amended to read:

125.61 [TEACHER EARLY RETIREMENT INCENTIVE PROGRAM.] Subdivision 1. For purposes of this section, "teacher" means a teacher as defined in section 125.03, subdivision 1, who is employed in the public elementary or secondary schools in the state, who has not less than 15 total years of full time teaching service (THEREIN) in elementary and secondary schools, and who has or will have attained the age of 55 years but less than 65 years as of the (END OF) July 15 after the school year during which an application for an early retirement incentive is made.

Sec. 47. Minnesota Statutes, 1977 Supplement, Section 125.-61, is amended by adding a subdivision to read:

*Subd. 1a. For purposes of this section, "retirement" means termination of services in the employing district and withdrawal from active teaching service.*

Sec. 48. Minnesota Statutes, 1977 Supplement, Section 125.-61, Subdivision 2, is amended to read:

Subd. 2. A teacher meeting the requirements of subdivision 1 may be offered a contract for termination of services *in the employing school district, withdrawal from active teaching service, and payment of an early retirement incentive by the employing school district.* An offer may be accepted by the teacher by submitting a written resignation to the school board of the employing district. Applications shall be submitted (PRIOR TO JULY 1, 1977 IN THE CASE OF A TEACHER RETIRING AT THE END OF THE 1977-78 SCHOOL YEAR,) prior to May 1, 1978 in the case of a teacher retiring at the end of the (1978-79) 1977-1978 school year, or, thereafter, prior to May 1 of (THE YEAR IMMEDIATELY PRECEDING) the school year at the end of which the teacher wishes to retire.

Sec. 49. Minnesota Statutes, 1977 Supplement, Section 125.-61, Subdivision 3, is amended to read:

Subd. 3. An eligible teacher who is or will be 55 years of age as of the end of the school year during which an application for an early retirement incentive is made and accepted shall receive an early retirement incentive in the amount of \$7,500. This amount shall be reduced by \$375 for each year that a teacher is over the age of 55 years to a maximum age of 60 years and by an additional \$1,125 for each year that a teacher is over the age of 60 years. The age of the teacher shall be determined as of the (END OF) *July 15* after the school year during which the application for the early retirement incentive is made.

Sec. 50. Minnesota Statutes, 1977 Supplement, Section 125.-61, Subdivision 4, is amended to read:

Subd. 4. The early retirement incentive shall be paid by the employing school district in four equal successive monthly installments commencing on November 1 of the year of retirement. The state shall reimburse the district for 10 percent of any amount or amounts paid out as an early retirement incentive pursuant to this section (UPON RECEIPT OF A PROPER CLAIM THEREFOR ACCOMPANYING THE REPORT REQUIRED BY SUBDIVISION 5), *according to the provisions of subdivision 6.* An early retirement incentive shall not be paid to any teacher who is discharged by a school district.

Sec. 51. Minnesota Statutes, 1977 Supplement, Section 125.-61, Subdivision 6, is amended to read:

Subd. 6. No school board shall enter into an agreement for termination of services with an early retirement incentive without applying for and receiving authorization from the commissioner of (FINANCE) *education*. The commissioner of (FINANCE) *education shall establish procedures for applications pursuant to this subdivision and shall approve or disapprove applications pursuant to this subdivision within the limits of the appropriation for the purposes of this section. Applications pursuant to this subdivision shall include the annual salaries which would be paid to the teachers for whom the applications are made if they did not retire and any other information required by the commissioner of education.*

Sec. 52. Minnesota Statutes 1976, Section 126.12, is amended to read:

126.12 [SCHOOL CALENDAR.] (THE SCHOOL SHALL BE IN SESSION FOR NOT LESS THAN A MINIMUM TERM, AS DEFINED BY THE STATE BOARD, BUT THIS PROVISION SHALL NOT APPLY TO NIGHT SCHOOLS OR KINDERGARTENS.) Every Saturday shall be a school holiday. The school board shall determine the number of school days of each school year on or before April 1 of the calendar year in which such school year commences.

Sec. 53. Minnesota Statutes 1976, Section 127.29, Subdivision 1, is amended to read:

127.29 [GROUNDS FOR DISMISSAL.] Subdivision 1. No school shall dismiss any pupil without attempting to provide alternative programs of education prior to dismissal proceedings, *except where it appears that the pupil will create an immediate and substantial danger to the pupil or persons or property around him.* Such programs may include special tutoring, modification of the curriculum for the pupil, placement in a special class or assistance from other agencies.

Sec. 54. Minnesota Statutes 1976, Section 128A.02, is amended by adding a subdivision to read:

Subd. 5. *The state board may by agreement with teacher preparing institutions or accredited institutions of higher learning arrange for practical experience in the Minnesota school for the deaf and the Minnesota braille and sight-saving school for practice or student teachers, or for other students engaged in fields of study which prepare professionals to provide special services to handicapped children in school programs, who have completed not less than two years of an approved program in their respective fields. These student trainees shall be provided with appropriate supervision by a teacher licensed by the board of*

*teaching or by a professional licensed or registered in the appropriate field of special services, and shall be deemed employees of the school for the deaf or the braille and sight-saving school, as applicable, for purposes of worker's compensation.*

Sec. 55. Minnesota Statutes 1976, Section 128A.02, is amended by adding a subdivision to read:

*Subd. 6. The rules of the state board pursuant to this section shall establish procedures for admission to and discharge from the schools, for decisions on a child's program at the schools and for evaluation of the progress of children enrolled in the schools. These procedures shall guarantee children and their parents appropriate procedural safeguards and the right to participate in educational program decisions.*

Sec. 56. Minnesota Statutes 1976, Section 134.03, is amended to read:

134.03 [TAX LEVY.] In cities of less than 2,000 inhabitants not levying a tax for public library purposes, the school board may maintain a public library for the use of all residents of the district and provide ample and suitable rooms for its use in the school buildings (AND IN ANY INDEPENDENT SCHOOL DISTRICT EMBRACING ANY SUCH CITY, WHERE A LIBRARY BUILDING HAS BEEN ERECTED WITH FUNDS DONATED FOR LIBRARY PURPOSES, THE SCHOOL DISTRICT MAY LEVY AN ANNUAL TAX OF NOT MORE THAN ONE MILL, THE PROCEEDS OF WHICH TAX SHALL BE USED FOR THE SUPPORT AND MAINTENANCE OF THIS LIBRARY AND KNOWN AS THE "LIBRARY FUND.") or the district.

Upon a library being so established in any such school district, whose library building has been erected with funds acquired by gift or donation, the school board is empowered to appoint a library board of nine members, of which each member of the school board shall be a member ex officio.

The remaining members of such library board shall be appointed by the school board, one of which remaining members shall hold office for one year, one for two years, and one for three years if the school board has only six members, from the first Saturday of September following their appointment, the term of office of each being specified in such appointment; annually thereafter, such school board shall appoint a member of the library board for the term of three years and until his successor shall qualify. Such school board may remove any member so appointed for misconduct or neglect. Vacancies in such board shall be filled by appointment for the unexpired term. Members of such board shall receive no compensation for their services as such.

Immediately after appointment, such board shall organize by electing one of its members as president and one as secretary and from time to time it may appoint such other officers and employees as it deems necessary. The secretary, before entering upon his duties, shall give bond to the school district in an amount fixed by the library board, conditioned for the faithful discharge of his official duties. The library board shall adopt such bylaws and regulations for the government of the library and reading-room and for the conduct of its business as may be expedient and conformable to law. It shall have exclusive control of the expenditures of all money collected for, or placed to the credit of, the library funds, and of the rooms and buildings provided for library purposes. All moneys received for such library fund shall be kept in the treasury of the school district, credited to the library fund, and be paid out only upon itemized vouchers approved by the library board. The library board may fix the compensation of employees and remove any of them at pleasure.

All books or other property given, granted, conveyed, donated, devised, or bequeathed to, or purchased by, such library shall vest in, and be held in the name of, such school district. Every library and reading-room established hereunder shall be free to the use of the inhabitants of the school district, subject to such reasonable regulations as the directors may adopt.

When so established, no such library shall be abandoned without a two-thirds majority vote of the electors cast at any annual or special school meeting called for the purpose.

When so established, in cases where the building has been erected with funds so donated, no such library shall be abandoned without a two-thirds majority vote of the electors cast at any annual or special school meeting called for the purpose.

Sec. 57. Minnesota Statutes, 1977 Supplement, Section 176.011, Subdivision 9, is amended to read:

Subd. 9. [EMPLOYEE.] "Employee" means any person who performs services for another for hire; and includes the following:

- (1) an alien;
- (2) a minor;
- (3) a sheriff, deputy sheriff, constable, marshal, policeman, fireman, a county highway engineer, and a peace officer while engaged in the enforcement of peace or in and about the pursuit or capture of any person charged with or suspected of crime;
- (4) a county assessor;

(5) an elected or appointed official of the state, or of any county, city, town, school district or governmental subdivision therein but an officer of a political subdivision elected or appointed for a regular term of office or to complete the unexpired portion of any such regular term, shall be included only after the governing body of the political subdivision has adopted an ordinance or resolution to that effect;

(6) an executive officer of a corporation except an officer of a family farm corporation as defined in section 500.24, subdivision 1, clause (c);

(7) a voluntary uncompensated worker, other than an inmate, rendering services in state institutions under the commissioner of public welfare (AND), state institutions under the commissioner of corrections, and *state institutions under the state board of education*, similar to those of officers and employees of such institutions, and whose services have been accepted or contracted for by the commissioner of public welfare (OR), the commissioner of corrections or *the state board of education*, as authorized by law, shall be employees within the meaning of this subdivision. In the event of injury or death of any such voluntary uncompensated worker, the daily wage of the worker, for the purpose of calculating compensation payable under this chapter, shall be the usual going wage paid at the time of such injury or death for similar services in institutions where such services are performed by paid employees;

(8) a voluntary uncompensated worker engaged in peace time in the civil defense program when ordered to training or other duty by the state or any political subdivision thereof, shall be employees. The daily wage of the worker for the purpose of calculating compensation payable under this chapter, shall be the usual going wage paid at the time of such injury or death for similar services where such services are performed by paid employees;

(9) a voluntary uncompensated worker participating in a program established by a county welfare board shall be an employee within the meaning of this subdivision. In the event of injury or death of any such voluntary uncompensated worker, the wage of the worker, for the purpose of calculating compensation payable under this chapter, shall be the usual going wage paid in the county at the time of such injury or death for similar services where such services are performed by paid employees working a normal day and week;

(10) a voluntary uncompensated worker accepted by the commissioner of natural resources who is rendering services as a volunteer pursuant to section 85.041 shall be an employee. The daily wage of the worker for the purpose of calculating compensation payable under this chapter, shall be the usual going wage

paid at the time of injury or death for similar services where such services are performed by paid employees.

(11) a member of the military forces, as defined in section 190.05, while in "active service" or "on duty" as defined in section 190.05, when the service or duty is ordered by state authority. The daily wage of the member for the purpose of calculating compensation payable under this chapter shall be based on the member's usual earnings in civil life. If there is no evidence of previous occupation or earning, the trier of fact shall consider the member's earnings as a member of the military forces;

(12) a voluntary uncompensated worker; accepted by the director of the Minnesota historical society, rendering services as a volunteer, pursuant to chapter 138, shall be an employee. The daily wage of the worker, for the purposes of calculating compensation payable under this chapter, shall be the usual going wage paid at the time of injury or death for similar services where such services are performed by paid employees.

In the event it is difficult to determine the daily wage as herein provided, then the trier of fact may determine the wage upon which the compensation is payable.

Sec. 58. Minnesota Statutes, 1977 Supplement, Section 275.-07, is amended to read:

275.07 [CITY, TOWN AND SCHOOL DISTRICT TAXES.]  
*Subdivision 1.* The taxes voted by cities, towns, and school districts shall be certified by the proper authorities to the county auditor on or before October tenth in each year. If a city, town, county, school district or special district fails to certify its levy by that date, its levy shall be the amount levied by it for the preceding year. If the local unit notifies the commissioner of revenue before October tenth of its inability to certify its levy by that date, and the commissioner is satisfied that the delay is unavoidable and is not due to the negligence of the local unit's officials or staff, the commissioner shall extend the time within which the local unit shall certify its levy.

*Subd. 2.* In school districts lying in more than one county, the clerk shall certify the tax levied to the auditor of the county in which the administrative offices of the school district are located.

Sec. 59. Minnesota Statutes, 1977 Supplement, Section 275.-124, is amended to read:

275.124 [REPORT OF CERTIFIED LEVY.] Prior to (MARCH) *February* 1 of each year, each county auditor shall report to the commissioner of education on forms furnished by



the commissioner, the amount of the certified levy made by each school district within the county which has taxable property *and any other information concerning these levies that is deemed necessary by the commissioner.*

Sec. 60. Minnesota Statutes, 1977 Supplement, Section 275.125, Subdivision 9, is amended to read:

Subd. 9. (1) Districts which receive payments which result in deductions from foundation aid pursuant to section 124.212, subdivision 8a, clause (1), shall reduce the permissible levies authorized by subdivisions 3 to 14 by 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 permissible 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.) *by the greater of the following:*

(a) *an amount equal to 50 percent of the total dollar amount of the payments received pursuant to those sections in the previous fiscal year; or*

(b) *an amount equal to the total dollar amount of the payments received pursuant to those sections in the previous fiscal year less the product of the same dollar amount of payments times the ratio of the maximum levy allowed the district under section 275.125, subdivision 2a, to the total levy allowed the district under section 275.125 in the year in which the levy is certified.*

(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 275.125, subdivision 11a, the commissioner shall ascertain from each affected school district the amount it proposes to levy for capital expenditures pursuant to that subdivision. 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 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 AND NOT APPLIED TO REDUCE LEVIES CERTIFIED IN THE PRECEDING OCTOBER). *Any amounts received by districts in any fiscal year after fiscal year 1977 pursuant to the sections specified in this clause shall be paid by the district to the commissioner of finance in the following amounts on the designated dates: on or before March 15, 1979 and March 15 of each year thereafter, 100 percent of the amount required to be subtracted from the previous fiscal year's foundation aid pursuant to section 124.212, subdivision 8a, which is in excess of the foundation aid earned for that fiscal year.* 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 278.135.

Sec. 61. Minnesota Statutes, 1977 Supplement, Section 275.125, Subdivision 11a, is amended to read:

Subd. 11a. (a) A school district may levy an amount not to exceed the amount equal to (\$75) (1) \$80 per pupil unit or, (2) in districts where the *actual* pupil unit count (IS INCREASED PURSUANT TO SECTION 124.17, SUBDIVISION 1, CLAUSE (7)) *increases by not less than two and not more than five percent*, (\$80) \$85 per pupil unit or (3) *in districts where the actual pupil unit count increases by five percent or more, \$90 per pupil unit*. For purposes of computing allowable levies under (SECTION 275.125) *this subdivision*, pupil units shall include only those units identified in section 124.17, subdivision 1, clauses (1), (2), (4), (5), (6) and (7), *actual pupil units shall include only those pupil units identified in section 124.17, clauses (1) and (2), and increases in actual pupil units shall be the estimated increases between the school year when the levy is certified and the succeeding school year*. No levy under this subdivision shall exceed 10 mills times the adjusted assessed valuation of the taxable property in the district for the preceding year, notwithstanding the provisions of sections 272.64 and 275.49.

(b) The proceeds of the tax may be used only to acquire land, to equip and reequip buildings and permanent attached fixtures, and to pay leasing fees for computer systems hardware, computer terminals and telecommunications equipment, and related proprietary software. The proceeds of the tax may also be used for capital improvement and repair of school sites, buildings and permanent attached fixtures and for the payment of any special assessments levied against the property of the district authorized pursuant to section 435.19 or any other law or charter provision authorizing assessments against publicly owned property; provided that a district may not levy amounts to pay assessments for service charges, including but not limited to those described in section 429.101, whether levied pursuant to that section or pursuant to any other law or home rule provision. The proceeds of the tax may also be used for capital expenditures for the purpose of reducing or eliminating barriers to or increasing access to school facilities by handicapped individuals.

(c) Subject to the commissioner's approval, the tax proceeds may also be used to rent or lease buildings for school purposes and to acquire or construct buildings. The state board shall promulgate rules establishing the criteria to be used by the commissioner in approving and disapproving district applications requesting the use of capital expenditure tax proceeds for the renting or leasing of buildings for school purposes and the acquisition or construction of buildings. The approval criteria for purposes of building acquisition and construction shall include: the appropriateness of the proposal with respect to the district's long term needs; the availability of adequate existing facilities; and the economic feasibility of bonding because of the proposed building's size or cost.

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

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

Sec. 62. Minnesota Statutes 1976, Section 275.125, Subdivision 15, is amended to read:

Subd. 15. (ANY DISTRICT WHICH IN ANY YEAR LEVIES AN AMOUNT WHICH IS GREATER THAN THE AMOUNT ALLOWED BY SUBDIVISIONS 2A TO 14, SHALL LOSE AN AMOUNT OF STATE FOUNDATION AID EQUAL TO ONE-HALF OF THE EXCESS IN THE LEVY. HOWEVER,) If any *school district* levy is found to be excessive as a result of a decision of the tax court of appeals or a redetermination by the equalization aid review committee under section 124.212, subdivisions 11 to 18 or for any other reason, the amount of the excess shall be deducted from the levy certified in the next year for the same purpose; provided that if no levy is certified in the next year for the same purpose or if the amount certified is less than the amount of the excess, the excess shall be deducted from that levy and the levy certified pursuant to subdivision 2a. (THE AMOUNT OF AID LOST SHALL BE DEDUCTED FROM THE AID WHICH WOULD OTHERWISE HAVE BEEN RECEIVED FOR THE SCHOOL YEAR WHICH COMMENCES IN THE CALENDAR YEAR DURING WHICH THE EXCESSIVE LEVY IS BEING COLLECTED. ANY FOUNDATION AID SO WITHHELD SHALL BE WITHHELD IN ACCORDANCE WITH THE PROCEDURES SPECIFIED IN SECTION 124.15) *If any aid entitlement pursuant to sections 124.212, 124.222 and 124.245 would have been increased in a prior year as a result of a decision of the tax court of appeals or a redetermination by the equalization aid review committee, the amount of the increase shall be added to the current aid entitlement for the same purposes.*

Sec. 63. Minnesota Statutes 1976, Section 275.125, Subdivision 16, is amended to read:

Subd. 16. For the purposes of this section, the number of *resident* pupil units in average daily membership shall be computed in accordance with section 124.17, provided that the district may use an estimated average daily membership for the current school year. (ANY DISTRICT WHICH INCREASED ITS PUPIL UNITS, EXCLUSIVE OF CONSOLIDATION, OR MERGER OF DISTRICTS, OR CHANGE OF DEFINITION OF PUPIL UNITS BY MORE THAN FIVE PERCENT FROM ONE YEAR TO ANOTHER MAY USE AN ESTIMATED PUPIL UNIT COUNT FOR THE NEXT SUCCEEDING SCHOOL YEAR FOR DETERMINING A LEVY CERTIFIED IN THE CURRENT YEAR.) If as a result of such estimate the

levy is different from the amount that could actually have been levied under this section had such levy been based upon the pupil units computed under section 124.17 for that school year, (THEN IN THAT EVENT) the authorized levy for the following year shall be adjusted for the difference.

Sec. 64. Minnesota Statutes 1976, Section 275.125, Subdivision 18, is amended to read:

Subd. 18. By November 1 of each year each district shall (SUBMIT TO) *notify* the commissioner of education (A CERTIFICATE) of *the levies certified in* compliance with the levy limitations of this section. The commissioner of education shall prescribe the form of this (CERTIFICATE) *notification*.

Sec. 65. Minnesota Statutes, 1977 Supplement, Section 354.094, Subdivision 1, is amended to read:

354.094 [EXTENDED LEAVES OF ABSENCE.] Subdivision 1. If a member is granted an extended leave of absence pursuant to section 125.60, he may receive allowable service credit toward annuities and other benefits under this chapter, 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) *state* 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.

Sec. 66. Minnesota Statutes, 1977 Supplement, Section 354.094, Subdivision 4, is amended to read:

Subd. 4. If a member who (PAID) *pays* employee contributions into the fund for (FIVE YEARS WHILE ON) *the agreed maximum duration of an* extended leave does not resume teaching in the (SIXTH) *first* school year after (THE BEGINNING OF HIS EXTENDED LEAVE) *that maximum duration has elapsed*, he shall be deemed to cease to render teaching services beginning in that year for purposes of this chapter.

Sec. 67. Minnesota Statutes, 1977 Supplement, Section 354.66, Subdivision 1, is amended to read:

354.66 [QUALIFIED PART TIME TEACHERS; PARTICIPATION IN FUND.] Subdivision 1. As used in this section, the term "teachers" shall have the meaning given it in section 125.03, subdivision 1, but shall not include superintendents

(, PRINCIPALS, ASSISTANT PRINCIPALS OR OTHER SUPERVISORY EMPLOYEES AS DEFINED IN SECTION 179.63, SUBDIVISION 9).

Sec. 68. Minnesota Statutes, 1977 Supplement, Section 354.66, Subdivision 9, is amended to read:

Subd. 9. A district shall not assign a teacher to a part time teaching position qualifying for the continuation of contributions and accrual of service credit pursuant to this section without applying for and receiving the authorization of the commissioner of (FINANCE) *education*. In cooperation with the boards of trustees of the appropriate retirement fund associations and within the limits of the amount appropriated for the purpose of this section, the commissioner of (FINANCE) *education* shall approve or disapprove applications from districts for authorization to assign teachers to part time teaching positions qualifying for the continuation of contributions and accrual for service credit pursuant to this section.

Sec. 69. Minnesota Statutes, 1977 Supplement, Section 354A.091, Subdivision 1, is amended to read:

354A.091 [TEACHERS ON EXTENDED LEAVE.] Subdivision 1. 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 125.60 may receive allowable service credit toward annuities and other benefits under this chapter 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) *state* 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.

Sec. 70. Minnesota Statutes, 1977 Supplement, Section 354A.091, Subdivision 4, is amended to read:

Subd. 4. If a member who (PAID) *pays* employee contributions into the fund for (FIVE YEARS WHILE ON) *the agreed maximum duration of an* extended leave does not resume teaching in the (SIXTH) *first* school year after (THE BEGINNING OF HIS EXTENDED LEAVE) *that maximum duration has elapsed*, he shall be deemed to cease to render teaching services

beginning in that year for purposes of this chapter and the by-laws of the retirement association.

Sec. 71. Minnesota Statutes, 1977 Supplement, Section 354A.-22, Subdivision 1, is amended to read:

354A.22 [QUALIFIED PART TIME TEACHERS; PARTICIPATION IN FUND.] Subdivision 1. As used in this section, the term "teachers" shall have the meaning given it in section 125.03, subdivision 1, but shall not include superintendents (, PRINCIPALS, ASSISTANT PRINCIPALS OR OTHER SUPERVISORY EMPLOYEES AS DEFINED IN SECTION 179.63, SUBDIVISION 9).

Sec. 72. Minnesota Statutes, 1977 Supplement, Section 354A.-22, Subdivision 9, is amended to read:

Subd. 9. A district shall not assign a teacher to a part time teaching position qualifying for the continuation of contributions and accrual of service credit pursuant to this section without applying for and receiving the authorization of the commissioner of (FINANCE) *education*. In cooperation with the boards of trustees of the appropriate retirement fund associations and within the limits of the amount appropriated for the purpose of this section, the commissioner of (FINANCE) *education* shall approve or disapprove applications from districts for authorization to assign teachers to part time teaching positions qualifying for the continuation of contributions and accrual of service credit pursuant to this section.

Sec. 73. *Notwithstanding the provisions of Minnesota Statutes, 1977 Supplement, Section 125.61, Subdivision 2, or section 51 of this act, the commissioner of finance shall pay the state's share of any early retirement incentive paid pursuant to section 125.61 to an eligible teacher who retired at the end of the 1976-1977 school year and for whom the employing school board submitted an application to the commissioner of finance prior to February 1, 1978. Notwithstanding the provisions of sections 68 and 72 of this act, the commissioner of finance shall pay the remainder of the state's obligation pursuant to sections 354.66 and 354A.22 for the fiscal year ending June 30, 1978.*

Sec. 74. Minnesota Statutes 1976, Section 475.60, Subdivision 2, is amended to read:

Subd. 2. [REQUIREMENTS WAIVED.] The requirements as to public sale shall not apply to:

(1) Obligations issued under the provisions of a home rule charter or of a law specifically authorizing a different method of sale, or authorizing them to be issued in such manner or on such terms and conditions as the governing body may determine;

(2) Obligations sold by an issuer in an amount not exceeding the total sum of \$100,000 in any three month period;

(3) Obligations issued by a governing body other than a school board in anticipation of the collection of taxes or other revenues appropriated for expenditure in a single year, if sold in accordance with the most favorable of two or more proposals solicited privately; and

(4) Obligations sold to any board, department, or agency of the United States of America or of the state of Minnesota, in accordance with rules or regulations promulgated by such board, department, or agency.

Sec. 75. [REPEALER.] *Subdivision 1. Minnesota Statutes, 1977 Supplement, Sections 125.61, Subdivision 5; and 128A.06, are repealed effective the day following final enactment.*

*Subd. 2. Minnesota Statutes 1976, Sections 120.07; 124.02; and Laws 1977, Chapter 447, Article IX, Section 8, are repealed effective July 1, 1978.*

*Subd. 3. Minnesota Statutes 1976, Section 122.53, is repealed.*

Sec. 76. [SUMMER SCHOOL FOUNDATION AID APPROPRIATION.] *Subdivision 1. Notwithstanding any provision to the contrary contained in Laws 1977, Chapter 447, Article I, Section 23, the appropriation in Laws 1977, Chapter 447, Article I, Section 23, Subdivision 2 for foundation aid for fiscal year 1978 may be expended as provided in this section for the fiscal years ending June 30 in the years designated.*

*Subd. 2. [FOUNDATION AID FOR SUMMER SCHOOL] For payment of foundation aid for summer school programs, the following may be expended:*

\$600,000 . . . . . 1978

\$650,000 . . . . . 1979

*The expenditure authorized in this subdivision for fiscal year 1978 is for payment of foundation aid for 1977 summer school programs. The expenditure authorized in this subdivision for fiscal year 1979 is for payment of foundation aid for 1978 summer school programs. The expenditures authorized in this subdivision are in addition to the funds authorized for payment of summer school foundation aid in Laws 1977, Chapter 447, Article I, Section 23, Subdivision 2.*



**Sec. 77. [SPECIAL EDUCATION AID AUTHORIZATION.]** *Notwithstanding the provisions of Laws 1977, Chapter 447, Article III, Section 16, Subdivision 2, the appropriation in that subdivision for fiscal year 1978 includes not to exceed \$50,000 for the purpose of aid pursuant to section 124.32, subdivision 5 in 1978. The expenditure authorized in this section is in addition to the amount authorized to be expended for aid pursuant to section 124.32, subdivision 5, in Laws 1977, Chapter 447, Article III, Section 16, Subdivision 2, Clause (c).*

**Sec. 78. [AID FOR SECONDARY VOCATIONAL EDUCATION PROGRAMS FOR HANDICAPPED CHILDREN; TRANSFER OF APPROPRIATED SUMS.]** *Subdivision 1. The sum of \$1,800,000 shall be available for secondary vocational education programs for handicapped children for the year ending June 30, 1979.*

*(a) Of this amount, the sum of \$1,538,000 is transferred from the special education aid appropriation for fiscal year 1979 in Laws 1977, Chapter 447, Article III, Section 16, Subdivision 2, and reappropriated for this purpose.*

*(b) This amount is based on the assumption that the state will spend for this purpose an amount at least equal to \$262,000 in fiscal year 1979, of federal money received for vocational education programs pursuant to the vocational education act of 1963, as amended.*

*Subd. 2. None of the amounts transferred and reappropriated for secondary vocational education for handicapped children shall be used for any other purpose. If the amount reappropriated 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. 79. [TRANSFERS OF APPROPRIATED FUNDS.]** *Subdivision 1. The sum of \$3,280,000 is transferred from the foundation aid appropriation for fiscal year 1978 in Laws 1977, Chapter 447, Article I, Section 23, Subdivision 2, and reappropriated to the department of education for the following purposes for the fiscal years ending June 30 in the years designated.*

*Subd. 2. [REGIONAL ACCOUNTING COORDINATORS.] For Uniform Financial Accounting Reporting System regional staff, there is appropriated:*

\$175,000 . . . . . 1979

*The appropriation in this subdivision shall be added to the sum appropriated in Laws 1977, Chapter 449, Section 2, Subdivision 5, Clause (b) for this purpose.*

*Subd. 3. [SCHOOL LUNCH PROGRAM.] For food storage costs for U.S.D.A. donated commodities, there is appropriated:*

\$135,000 ..... 1978

\$ 20,000 ..... 1979

*The appropriations in this subdivision shall be added to the sums appropriated in Laws 1977, Chapter 449, Section 2, Subdivision 5, Clause (c) for this purpose. In addition to this appropriation, any unexpended balance from funds appropriated in Laws 1977, Chapter 449, Section 2, Subdivision 5, Clause (c) for the type "A" lunch program may be expended for food storage costs for U.S.D.A. donated commodities.*

*Subd. 4. [TRANSPORTATION AID.] For transportation aid there is appropriated:*

\$ 300,000 ..... 1978

\$1,700,000 ..... 1979

*The appropriations in this subdivision include not to exceed \$180,000 in fiscal year 1978 and \$150,000 in fiscal year 1979 for transportation aid pursuant to section 124.222, subdivision 2a. The appropriations and allocations in this subdivision shall be added to the sums appropriated and allocated for these years for these purposes in Laws 1977, Chapter 447, Article II, Section 11, Subdivision 2.*

*Subd. 5. [REGIONAL MANAGEMENT INFORMATION CENTER.] For reimbursement of the T.I.E.S. Regional Management Information Center for costs incurred in converting to the statewide management information system, there is appropriated:*

\$500,000 ..... 1978

\$450,000 ..... 1979

*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. The appropriations in this subdivision shall be added to the sums appropriated in Laws 1977, Chapter 449, Section 2, Subdivision 5, Clause (b), for this purpose. The department of education shall determine which costs are eligible for reimbursement.*

**Sec. 80. [TEACHER MOBILITY; APPROPRIATION.]** *To meet the state's obligations prescribed in sections 125.61, 354.094, 354.66, 354A.091 and 354A.22, there is appropriated to the department of education the sum of \$2,974,200 for the fiscal year ending June 30, 1979.*

*(a) The amount appropriated in this section shall not be expended for a purpose other than the purposes indicated. If the appropriation amount for the purposes indicated is insufficient, the state shall not be obligated for any amount in excess of the appropriation in this section for these purposes.*

*(b) Notwithstanding the provisions of sections 354.43 and 354A.12, the state's additional obligations prescribed in sections 354.094, 354.66, 354A.091 and 354A.22 shall not be financed out of standing appropriations for the state's obligations pursuant to chapter 354 or 354A.*

**Sec. 81. [APPROPRIATION FOR SCHOOL FINANCE STUDY COMMISSION.]** *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 \$40,000. Expenditures of the commission shall be approved as determined by commission resolution.*

**Sec. 82. [APPROPRIATION FOR FOUNDATION AID.]** *There is appropriated from the general fund to the department of education for the year ending June 30, 1979, the sum of \$11,000,000 for the purpose of foundation aid. This amount shall be added to the amount appropriated for this purpose for this year in Laws 1977, Chapter 447, Article I, Section 23, Subdivision 2.*

**Sec. 83. [EFFECTIVE DATES.]** *Subdivision 1. Sections 1, 3, 4, 5, 6, 17, 19, 20, 24, 26, 31, 33, 35, 36, 38, 41, 43, 44, 45, 46, 47, 48, 49, 50, 51, 54, 55, 57, 60, 66, 68, 70, 72, 73, 76, 77, and 79 of this act shall be effective the day following final enactment.*

*Subd. 2. Sections 27 and 32 of this act shall be effective the day following final enactment and shall govern the computation of aid for the 1977-1978 school year.*

*Subd. 3. Section 16 of this act, in so far as it affects named pairs of independent school districts, shall be effective as to each pair upon its approval by the school boards of both of the paired districts. Otherwise, section 16 of this act shall be effective the day following final enactment.*

*Subd. 4. Section 42 of this act shall be effective the day following final enactment, except as provided in subdivision 5 of this section.*

*Subd. 5. Sections 7, 8, 9, 10, 11, 12, 13, 14, 15, and 21; section 75, subdivision 3, and the provisions of section 42 concerning merger of classes caused by consolidation of districts, shall be effective the day following final enactment; provided, these sections shall not apply to districts affected by the order of a county board, issued prior to that date, that an interlocutory order of dissolution and attachment be final and effective or to districts affected by an order of the commissioner, issued prior to that date, assigning an identification number to a new district pursuant to section 122.23, subdivision 14."*

Further, delete the title and insert:

"A bill for an act relating to education; providing for aids to education, tax levies, and the distribution of tax revenues; granting certain powers and duties to teachers, school boards, school districts, county auditors, the commissioner of education, the commissioner of finance, and the state board of education; creating a legislative school finance study commission; revising the provisions governing effective date, levy limitations, and employee relations, in case of school district reorganization; allowing the experimental pairing of certain districts; limiting the liability of school bus contractors; increasing capital expenditure aid and the capital expenditure levy limitation; providing a funding method for programs of secondary vocational education for handicapped children; increasing the reinstatement period for teachers on unrequested leave of absence; providing state funding for the employer's share of retirement contributions for teachers on extended leaves of absence; authorizing certain expenditures; transferring certain appropriated funds; appropriating money; amending Minnesota Statutes 1976, Sections 6.62, Subdivision 1; 121.904, Subdivision 7, and by adding a subdivision; 122.22, Subdivision 9, and by adding a subdivision; 122.23, Subdivisions 13, 15, and 18; 122.46, Subdivision 2; 123.37, Subdivision 1b; 123.39, by adding a subdivision; 124.17, Subdivision 3; 124.20; 124.74; 124.76; 125.12, Subdivisions 6a and 6b; 126.12; 127.29, Subdivision 1; 128A.02, by adding subdivisions; 134.03; 275.125, Subdivisions 15, 16 and 18; 475.60, Subdivision 2; Chapter 122, by adding sections; Chapter 124, by adding a section; Minnesota Statutes, 1977 Supplement, Sections 121.912, Subdivision 1; 122.85, Subdivision 1; 124.17, Subdivisions 1 and 2; 124.19, Subdivision 1; 124.212, Subdivisions 5a and 8a; 124.213, Subdivision 1; 124.222, Subdivision 6; 124.245, Subdivisions 1 and 2, and by adding a subdivision; 124.32, Subdivisions 1b, 5, and by adding a subdivision; 124.38, Subdivision 7; 124.562, Subdivision 1; 124.572, Subdivision 2; 124.573, Subdivision 2; 125.60, Subdivisions 2 and 3, and by adding a subdivision; 125.61, Subdivisions 1, 2, 3, 4, 6, and by adding a subdivision; 176.011, Subdivision 9; 275.07; 275.124; 275.125, Subdivisions 9, and 11a; 354.094, Subdivisions 1 and 4; 354.66, Subdivisions 1 and 9; 354A.091, Subdivisions 1 and 4; and 354A.22, Subdivisions 1 and 9; repealing Minnesota Statutes 1976, Sections 120.07; 122.53; 124.02; Minnesota Statutes, 1977 Supple-

ment, Sections 125.61, Subdivision 5; 128A.06; and Laws 1977, Chapter 447, Article IX, Section 8.”.

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. 1220, A bill for an act relating to courts; providing for law clerks to assist district judges; amending Minnesota Statutes 1976, Section 484.545, Subdivision 1.

Reported the same back with the following amendments:

Page 1, after line 17, add a new section to read:

*“Sec. 2. This act is effective upon approval by the county board of each county within the first judicial district, and upon compliance with Minnesota Statutes, Section 645.021.”.*

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. 1400, A bill for an act relating to American Indians; changing references from native American to American Indian; defining in terms of a federally recognized tribe; amending Minnesota Statutes 1976, Sections 84.10; 124.48; 145.922, Subdivision 2; 152.02, Subdivision 2; 245.76; 254A.02, Subdivision 11; 254A.03; 254A.031; 254A.07, Subdivision 2; 325.41; 362.40, Subdivision 2; 462A.07, Subdivision 14; 462A.21, Subdivision 4c; 462A.26; 472.03, Subdivision 12; and 517.18, Subdivision 4.

Reported the same back with the following amendments:

Page 1, line 24, delete “1976” and insert “, 1977 Supplement”.

Page 2, line 2, after “any” insert “Minnesota resident”.

Page 2, line 2, delete the stricken “has” and insert “is (OF)”.

Page 2, line 3, delete the stricken “blood” and insert “(ANCESTRY)”.

Page 2, line 3, delete "is".

Page 2, line 5, delete "profit" and insert "benefit".

Page 2, line 6, delete "Scholarship" and insert "Scholarships".

Page 2, line 9, after "fees" insert "; books, supplies, transportation, other related school costs".

Pages 2, 3, and 4, delete all of section 4.

Pages 12, 13, 14, and 15, delete all of section 14.

Renumber the remaining sections in sequence.

Further amend the title:

Line 5, delete "124.48;".

Line 6, delete "152.02, Subdivision 2;".

Line 10, delete "462A.26;".

Line 11, after "4" insert "; and Minnesota Statutes, 1977 Supplement, Section 124.48".

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. 1599, A bill for an act relating to unemployment compensation; making certain daytime activity center teachers ineligible for benefits during certain periods; amending Minnesota Statutes 1976, Section 268.08, Subdivision 5.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes, 1977 Supplement, Section 268.08, Subdivision 6, is amended to read:

Subd. 6. [SERVICES PERFORMED FOR STATE, MUNICIPALITIES OR CHARITABLE CORPORATION.] Effective January 1, 1978 benefits based on service in employment defined in section 268.04, subdivision 12, clauses (7), (8) and

(9), shall be payable in the same amount, on the same terms and subject to the same conditions as benefits payable on the basis of other service subject to this chapter; except that

(a) With respect to weeks of unemployment after December 31, 1977, benefits based upon service performed in an instructional, research, or principal administrative capacity for an institution of higher education or a public school, or a nonpublic school or the Minnesota school for the deaf or Minnesota braille and sight saving school or a *developmental achievement center operating pursuant to sections 252.21 to 252.26 and licensed pursuant to section 245.783*, benefits shall not be paid based upon such services for any week of unemployment commencing during the period between two successive academic years or terms, or during a similar period between two regular but not successive terms, or during a period of paid sabbatical leave provided for in the individual's contract, to any individual if such individual performs such services in the first of such academic years or terms and if there is a contract or a reasonable assurance that such individual will perform services in any such capacity for any institution of higher education, public school, nonpublic school, or said state deaf and sight saving schools in the second of such academic years or terms, and

(b) With respect to service performed after December 31, 1977 in any capacity, other than those capacities described in clause (a) of this subdivision, for a public school or nonpublic school, or the Minnesota school for the deaf or Minnesota braille and sight saving school, and for service with a political subdivision with respect to a school, or a *development achievement center operating pursuant to sections 252.21 to 252.26 and licensed pursuant to section 245.783*, benefits shall not be paid on the basis of such services to any individual for any week which commences during a period between two successive academic years or term if such individual performs such services in the first of such academic years or terms and there is a reasonable assurance that such individual will perform such services in the second of such academic years or terms, and

(c) With respect to any services described in clause (a) or (b), compensation payable on the basis of such services shall not be paid to any individual for any week which commences during an established and customary vacation period or holiday recess if such individual performs such services in the period immediately before such vacation period or holiday recess, and there is a reasonable assurance that such individual will perform such services in the period immediately following such vacation period or holiday recess. *For a development achievement center operating pursuant to sections 252.21 to 252.26 and licensed pursuant to section 245.783 school year means that period established by resolution of its board of directors.*

Further amend the title :

Page 1, line 3, delete "daytime activity" and insert "development achievement".

Page 1, line 5, delete "1976" and insert ", 1977 Supplement".

Page 1, line 6, delete "5" and insert "6".

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. 1663, A bill for an act relating to retirement; authorizing a combined service annuity and the purchase of prior service credit for certain university employees.

Reported the same back with the following amendments:

Page 2, line 4, after "made" and before the period, insert "; provided, however, that the university of Minnesota at its discretion may make the employer and employer additional contributions plus interest at the applicable rate".

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. 2093, A bill for an act relating to retirement; transfer of pension coverage for university of Minnesota peace officers to the public employees police and fire fund; terminating the university of Minnesota police department retirement plan and fund; transfer of assets and records; providing for an extension of police state aid; amending Minnesota Statutes 1976, Sections 69.021, Subdivision 9; 69.031, Subdivision 4; 356.20, Subdivision 2; Minnesota Statutes, 1977 Supplement, Sections 69.011, Subdivisions 1 and 2; 69.021, Subdivisions 5, 6 and 7; and 69.031, Subdivision 5.

Reported the same back with the following amendments:

Page 3, line 13, after "1977." insert: "*If an adjustment from the Minnesota adjustable fixed benefit fund pursuant to section 11.25 is payable as of January 1, 1979, the required reserves for the increase determined using a five percent interest assump-*



*tion and the applicable public employees police and fire fund mortality table shall be transferred by the public employees police and fire fund to the Minnesota adjustable fixed benefit fund on January 1, 1979."*

Page 5, line 7, delete "\$....." and insert "\$82,904".

Page 5, line 8, delete "30" and insert "ten".

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. 2094, A bill for an act relating to retirement; transit operating division of the metropolitan transit commission; transfer of pension coverage; termination of the metropolitan transit commission—transit operating division employees retirement fund; amending Minnesota Statutes 1976, Sections 352.01, Subdivisions 2A and 11; and 352.22, by adding a subdivision; and Minnesota Statutes, 1977 Supplement, Sections 352.03, Subdivisions 1 and 2; and 473.415.

Reported the same back with the following amendments:

Strike everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1976, Section 352.01, Subdivision 2A, is amended to read:

Subd. 2A. [INCLUDED EMPLOYEES.] The following persons are included in the meaning of state employee:

- (1) Employees of the Minnesota Historical Society.
- (2) Employees of the State Horticultural Society.
- (3) Employees of the Disabled American Veterans, Department of Minnesota, Veterans of Foreign Wars, Department of Minnesota, if employed prior to July 1, 1963.
- (4) Employees of the Minnesota Crop Improvement Association.
- (5) Employees of the adjutant general who are paid from federal funds and who are not covered by any federal civilian employees retirement system.

(6) Employees of the state universities employed under the university activities program.

(7) Currently contributing employees covered by the system who are temporarily employed by the legislature during a legislative session or any currently contributing employee employed for any special service as defined in item (8) of subdivision 2B.

(8) Employees of the armory building commission.

(9) Permanent employees of the legislature and persons employed or designated by the legislature or by a legislative committee or commission or other competent authority to make or conduct a special inquiry, investigation, examination or installation including permanent employees of the legislative research committee.

(10) Trainees who are employed on a full time established training program performing the duties of the classified position for which they will be eligible to receive immediate appointment at the completion of the training period.

(11) Employees of the Minnesota Safety Council.

(12) *Employees of the transit operating division of the metropolitan transit commission and any employees on authorized leave of absence from the transit operating division who are employed by the labor organization which is the exclusive bargaining agent representing employees of the transit operating division.*

(13) *Employees of the metropolitan council, metropolitan parks and open space commission, metropolitan transit commission, metropolitan waste control commission, metropolitan sports facilities commission or the metropolitan mosquito control commission unless excluded or covered by another public pension fund or plan pursuant to section 473.141, subdivision 12, or 473.411, subdivision 3.*

Sec. 2. Minnesota Statutes 1976, Section 352.01, Subdivision 11, is amended to read:

Subd. 11. [ALLOWABLE SERVICE.] "Allowable service" means:

(1) Any service rendered by an employee for which on or before July 1, 1957, he was entitled to allowable service credit on the records of the system by reason of employee contributions in the form of salary deductions, payments in lieu of salary deductions, or in any other manner authorized by Minnesota Statutes 1953, Chapter 352, as amended by Laws 1955, Chapter 239, or

(2) Any service rendered by an employee for which on or before July 1, 1961, he elected to obtain credit for service by making payments to the fund pursuant to Minnesota Statutes 1961, Section 352.24, or

(3) Any service rendered by an employee after July 1, 1957, for any calendar month in which he is paid salary from which deductions are made, deposited and credited in the fund, including deductions made, deposited and credited as provided in section 352.041, or

(4) Any service rendered by an employee after July 1, 1957 for any calendar month for which payments in lieu of salary deductions are made, deposited and credited in the fund, as provided in section 352.27 and Minnesota Statutes 1957, Section 352.021, Subdivision 4.

(For purposes of paragraphs (3) and (4) of this subdivision, any salary paid for a fractional part of any calendar month is deemed the compensation for the entire calendar month. The board of directors of the Minnesota state retirement system shall establish rules governing the accrual of allowable service credit for less than full time employment.), or

(5) The period of absence from their duties by employees who by reason of injuries incurred in the performance thereof are temporarily disabled and for which disability the state is liable under the worker's compensation law until the date authorized by the director for the commencement of payments of a total and permanent disability benefit from the retirement fund, or

(6) The unused portion of an employee's annual leave allowance for which he is paid salary, or

(7) Any employee who made payment in installments in order to obtain additional service credit but failed to make the final payment on or before July 1, 1962 shall be entitled to have credit for all service for which the payments he made will entitle him under the provisions of Minnesota Statutes 1961, Section 352.24. In determining "the service for which the payments he made will entitle him" service credit shall extend retroactively from the latest service for which he made payment, or

(8) Former state employees who hold numbered certificates of deferred annuity who again become state employees shall surrender such certificates and shall be entitled to full credit for the service covered by the surrendered certificates, or

(9) Any service covered by refundment repaid as provided in section 352.23 but does not include service rendered as an em-

ployee of the adjutant general for which the person has credit with the federal civil service retirement system(.) , or

*(10) Any service prior to the effective date of the act by an employee of the transit operating division of the metropolitan transit commission or by an employee on an authorized leave of absence from the transit operating division of the metropolitan transit commission who is employed by the labor organization which is the exclusive bargaining agent representing employees of the transit operating division which was credited by the metropolitan transit commission—transit operating division employees retirement fund or any of its predecessor plans or funds as past, intermediate, future, continuous or allowable service as defined in the metropolitan transit commission—transit operating division employees retirement fund plan document in effect on December 31, 1977.*

Sec. 3. Minnesota Statutes, 1977 Supplement, Section 352.03, Subdivision 1, amended to read:

352.03 [BOARD OF DIRECTORS, COMPOSITION, EXECUTIVE DIRECTOR; DUTIES, POWERS.] Subdivision 1. [MEMBERSHIP OF BOARD; ELECTION; TERM.] The policy making function of the system is hereby vested in a board of (EIGHT) *nine* members, who shall be known as the board of directors, hereinafter called the board. This board shall consist of three members appointed by the governor, one of whom shall be a constitutional officer or appointed state official and two public members knowledgeable in pension matters, four state employees who shall be elected by state employees covered by the system *excluding employees of the transit operating division of the metropolitan transit commission and employees on authorized leave of absence from the transit operating division who are employed by the labor organization which is the exclusive bargaining agent representing employees of the transit operating division, one employee of the transit operating division of the metropolitan transit commission who shall be designated by the executive committee of the labor organization which is the exclusive bargaining agent representing employees of the transit division, and one retired employee who shall be elected by retired employees at a time and in a manner to be fixed by the board.* Two board members, whose terms of office shall begin on the first Monday in March next succeeding their election, shall be elected biennially. The term of the two board members whose terms expire in 1968 shall terminate on the first Monday in March, 1968, and the terms of the two board members whose terms expire in 1970 shall terminate on the first Monday in March, 1970. The elected retired board member shall serve a term commencing January 1, 1978 and terminating on the first Monday in March, 1980. *The transit operating division board member shall serve a term commencing January 1, 1979, and terminating on the first Monday in March, 1980.* Thereafter the

members of the board so elected *and the transit operating division member so appointed* shall hold office for a term of four years, except the retired member whose term shall be two years, and until their successors are elected *or appointed*, and have qualified. A state employee on leave of absence shall not be eligible for election or re-election to membership on the board of directors; and the term of any board member who is on leave for more than six months shall automatically terminate upon the expiration of such period.

Sec. 4. Minnesota Statutes, 1977 Supplement, Section 352.03, Subdivision 2, is amended to read:

Subd. 2. [VACANCY.] Any vacancy of a state employee or retired employee in the board caused by death, resignation, or removal of any member so elected shall be filled by the board for the unexpired portion of the term in which the vacancy occurs. *Any vacancy of the employee of the transit operating division member of the board caused by death, resignation, or removal shall be filled by the governing board of the labor organization which is the exclusive bargaining agent representing employees of the transit operating division.*

Sec. 5. Minnesota Statutes 1976, Section 352.22, is amended by adding a subdivision to read:

Subd. 2a. [AMOUNT OF CERTAIN REFUNDS.] *For any employee who is entitled to receive a refund pursuant to subdivision 1 and who, prior to the effective date of this act, was a member of the metropolitan transit commission—transit operating division employees retirement fund, the refund for contributions made prior to the effective date of this act shall be equal to the following amounts:*

(a) *For any employee contributions made prior to January 1, 1950, the amount equal to one half of the employee contributions without interest;*

(b) *For any employee contributions made subsequent to December 31, 1949, but prior to January 1, 1975, the amount of the employee contributions plus simple interest at the rate of two percent per annum; and*

(c) *For any employee contributions made subsequent to December 31, 1974, but prior to the effective date of this act, the amount of the employee contributions plus simple interest at the rate of three and one half percent per annum.*

*The refund for contributions made on or after the effective date of this act shall be determined pursuant to subdivision 2. Interest shall be computed to the first day of the month in which the refund is processed and shall be based on fiscal year balances.*

Sec. 6. Minnesota Statutes 1976, Section 356.20, Subdivision 2, is amended to read:

- Subd. 2. (1) State employees retirement fund.
- (2) Public employees retirement fund.
- (3) Teachers retirement fund.
- (4) Highway patrolmen's retirement fund.
- (5) TWIN CITY LINES EMPLOYEES RETIREMENT PLAN.)
- (6) (5) Minneapolis teachers retirement fund association.
- (7) (6) St. Paul teachers retirement fund association.
- (8) (7) Duluth teachers retirement fund association.
- (9) (8) Municipal employees retirement board of Minneapolis.
- (10) (9) University of Minnesota police retirement plan.
- (11) (10) University of Minnesota faculty retirement plan.

Sec. 7. Minnesota Statutes, 1977 Supplement, Section 473.415, is amended to read:

473.415 [LABOR PROVISIONS.] *Subdivision 1.* If the commission acquires an existing transit system, the commission shall assume and observe all existing labor contracts and pension obligations. All employees of such system except executive and administrative officers who are necessary for the operation thereof by the commission shall be transferred to and appointed as employees of the commission for the purposes of the transit system, subject to all the rights and benefits of sections 473.401 to 473.451. Such employees shall be given seniority credit and sick leave, vacation, insurance, and pension credits in accordance with the records or labor agreements from the acquired transit system. The commission shall assume the obligations of any transit system acquired by it with regard to wages, salaries, hours, working conditions, sick leave, health and welfare and pension or retirement provisions for employees. The commission and the employees, through their representatives for collective bargaining purposes, shall take whatever action may be necessary to have pension trust funds presently under the joint control of the acquired system and the participating employees through their representatives transferred to the trust fund to be established,

maintained and administered jointly by the commission and the participating employees through their representatives. No employee of any acquired system who is transferred to a position with the commission shall by reason of such transfer be placed in any worse position with respect to worker's compensation, pension, seniority, wages, sick leave, vacation, health and welfare insurance or any other benefits than he enjoyed as an employee of such acquired system.

*Subd. 2. For any employees of the commission who were transferred to and appointed as employees of the commission upon completion of acquisitions of transit systems which occurred prior to the effective date of this act, the provisions of this act shall replace the provisions of subdivision 1 relating to the pension obligations which the commission is required to assume, and the pension or retirement plan and pension trust funds which the commission is required to establish, maintain and administer. Upon compliance with the applicable provisions of this act, the commission shall not be deemed to have placed any employee of the commission who was transferred to and appointed as an employee of the commission upon completion of acquisitions of transit systems which occurred prior to the effective date of this act in any worse position with respect to pension and related benefits than the employee of the commission enjoyed as an employee of the acquired existing transit system.*

*Subd. 3. For any employees of the commission who are transferred to and appointed as employees of the commission upon completion of acquisitions of transit systems which occur subsequent to the effective date of this act, those employees shall be governed by the provisions of this act unless the acquisition of the transit system which employed them immediately preceding the acquisition included the acquisition of a pension trust fund under the joint control of the acquired system and the participating employees through their representatives.*

**Sec. 8. [TRANSFER OF PENSION COVERAGE.]** *Subdivision 1. [EXISTING EMPLOYEES.] Notwithstanding any provisions of law to the contrary, as of the effective date of this act, all active employees of the transit operating division of the metropolitan transit commission and all employees on authorized leaves of absence from the transit operating division who are employed on the effective date of this act by a labor organization which is the exclusive bargaining agent representing employees of the transit operating division shall cease to be members of the metropolitan transit commission—transit operating employees retirement fund and shall cease to have any accrual of service credit, rights or benefits under that retirement fund. From and after the effective date of this act, all active employees of the transit operating division of the metropolitan transit commission and all employees on authorized leaves of absence from the transit operating division who are employed on the effective date of this act by the labor organization*

*which is the exclusive bargaining agent representing employees of the transit operating division shall be members of the Minnesota state retirement system, shall be considered state employees for purposes of chapter 352, unless specifically excluded pursuant to section 352.01, subdivision 2B, and shall have past service with the transit operating division of the metropolitan transit commission credited by the Minnesota state retirement system in accordance with section 2, clause (10), of this act. Any employees on authorized leaves of absence from the transit operating division of the metropolitan transit commission who become employed by the labor organization which is the exclusive bargaining agent representing employees of the transit operating division after the effective date of this act shall be entitled to be members of the Minnesota state retirement system pursuant to section 352.029.*

*Subd. 2. [NEW EMPLOYEES.] All persons first employed by the metropolitan transit commission as employees of the transit operating division on or after the effective date of this act shall be members of the Minnesota state retirement system and shall be considered state employees for purposes of chapter 352 unless specifically excluded pursuant to section 352.01, subdivision 2B.*

*Subd. 3. [EXISTING RETIRED MEMBERS AND BENEFIT RECIPIENTS.] As of the effective date of this act, the liability for all retirement annuities, disability benefits, survivorship annuities and survivor of deceased active employee benefits of annuitants and benefit recipients paid or payable by the metropolitan transit commission—transit operating division employees retirement fund shall be transferred to the Minnesota state retirement system, and shall no longer be the liability of the metropolitan transit commission—transit operating division employees retirement fund. The required reserves for retirement annuities, disability benefits and optional joint and survivor annuities in effect on the day prior to the effective date of this act and the required reserves for the increase in annuities and benefits provided pursuant to section 9 of this act shall be determined using a five percent interest assumption and the applicable Minnesota state retirement system mortality table and shall be transferred by the Minnesota state retirement system to the Minnesota adjustable fixed benefit fund on the effective date of this act but shall be considered appropriated as of June 30, 1978. The annuity or benefit amount in effect on the effective date of this act, including the increase granted pursuant to section 9 of this act, shall be considered the "originally determined benefit" for purposes of any adjustments made pursuant to section 11.25. If an adjustment from the Minnesota adjustable fixed benefit fund pursuant to section 11.25 is payable as of January 1, 1979, any annuitant or benefit recipient receiving an annuity or benefit from the Minnesota adjustable fixed benefit fund pursuant to this section shall be entitled to receive the adjustment if the annuitant or recipient began receiving the*



annuity or benefit from the metropolitan transit commission—transit operating division employees retirement fund on or before June 30, 1977, but that adjustment shall not include in the base for calculation the amount of any increase granted pursuant to section 9 of this act. If an adjustment from the Minnesota adjustable fixed benefit fund pursuant to section 11.25 is payable as of January 1, 1979, the required reserves for the increase determined using a five percent interest assumption and the applicable Minnesota state retirement system mortality table shall be transferred by the Minnesota state retirement system to the Minnesota adjustable fixed benefit fund on January 1, 1979. For persons receiving benefits as survivors of deceased former retirement annuitants, the benefits shall be considered as having commenced on the date on which the retirement annuitant began receiving the retirement annuity.

Subd. 4. [EXISTING DEFERRED RETIREES.] Any former member of the metropolitan transit commission—transit operating division employees retirement fund who is not an active employee of the transit operating division of the metropolitan transit commission on the effective date of this act, who has at least ten years of active continuous service with the transit operating division of the metropolitan transit commission as defined by the metropolitan transit commission—transit operating division employees retirement plan document in effect on December 31, 1977, who has not received a refund of contributions and who has not retired or begun receiving an annuity or benefit from the metropolitan transit commission—transit operating division employees retirement fund shall be entitled to a retirement annuity from the Minnesota state retirement system upon attaining the age of at least 55 years and submitting a valid application for a retirement annuity to the executive director of the Minnesota state retirement system. The person shall be entitled to a retirement annuity in an amount equal to the normal old age retirement allowance calculated under the metropolitan transit commission—transit operating division employees retirement fund plan document in effect on December 31, 1977 subject to an early retirement reduction or adjustment in amount on account of retirement prior to the normal retirement age specified in that metropolitan transit commission—transit operating division employees retirement fund plan document. The deferred retirement annuity of any person to whom this subdivision applies shall be augmented. The required reserves applicable to the deferred retirement annuity, determined as of the date the allowance begins to accrue using an appropriate mortality table and an interest assumption of five percent, shall be augmented by interest at the rate of five percent per annum compounded annually from January 1, 1978, to the first day of the month in which the annuity begins to accrue. Upon the commencement of the retirement annuity, the required reserves for the annuity shall be transferred to the Minnesota adjustable fixed benefit fund in accordance with subdivision 2 and section 352.119. Upon application for a retirement annuity under this subdivision, the person shall be entitled to elect a joint and sur-

vivor optional annuity pursuant to section 352.116, subdivision 3.

**Sec. 9. [SAVINGS CLAUSE FOR CERTAIN EXISTING EMPLOYEES.]** Any person who is a member of the metropolitan transit commission—transit operating division employees retirement fund on the effective date of this act shall be entitled to retain past and prospective rights under the retirement benefit formula, normal retirement age and early reduced retirement age provisions of the metropolitan transit commission—transit operating division employees retirement fund plan document in effect on the effective date of this act in lieu of the provisions contained in sections 352.115; 352.116; 352.22, subdivisions 3 to 11; and 356.30.

**Sec. 10. [INCREASE IN EXISTING ANNUITIES AND BENEFITS.]** All persons receiving retirement allowances or annuities, disability benefits, survivorship annuities and survivor of deceased active employee benefits from the metropolitan transit commission—transit operating division employees retirement fund on December 31, 1977 and on the effective date of the act, shall be entitled to have that retirement allowance or annuity, disability benefit, survivorship annuity or survivorship benefit increased by an amount equal to \$20 per month. Notwithstanding section 356.18, increases in payments pursuant to this section shall be made automatically unless the intended recipient files written notice with the executive director of the Minnesota state retirement system requesting that the increase shall not be made. If any actuarial reduction or adjustment was applied to the retirement allowance or annuity, disability benefit, survivorship annuity or survivor of deceased active employee benefit, the increase specified in this section shall be similarly reduced or adjusted. Upon the death of any person receiving an annuity or benefit where the person made a joint and survivor optional annuity election, the survivor shall be entitled to the continued receipt of the increase provided for under this section; provided, however, that the increase shall be reduced or adjusted in accordance with the optional annuity election.

**Sec. 11. [TERMINATION OF FUND; TRANSFER OF ASSETS AND RECORDS OF FUND.]** Subdivision 1. [TRANSFER OF ASSETS.] On the effective date of this act, the retirement allowance committee of the metropolitan transit commission—transit operating division employees retirement fund shall transfer the entire assets of the fund to the Minnesota state retirement system. The assets shall include whatever interest the fund has in any debt or equity securities, any bank deposits, all accounts receivable, irrespective of source, any real or personal property holdings, any accrued interest or dividends on stock declared but not yet received, and any equipment. Any accounts payable on the effective date of this act shall also be transferred to the Minnesota state retirement system. The Minnesota state retirement system shall be the successor in interest to all claims

for and against the metropolitan transit commission—transit operating division employees retirement fund or the metropolitan transit commission with respect to the fund, except any claim against the metropolitan transit commission—transit operating division employees retirement fund or any person connected with the fund in a fiduciary capacity, based on any act or acts by that person which were not done in good faith and which constituted a breach of his obligation as a fiduciary. As a successor in interest, the Minnesota state retirement system may assert any applicable defense in any judicial proceeding which the retirement allowance committee of the metropolitan transit commission—transit operating division employees retirement fund or the metropolitan transit commission would otherwise have been entitled to assert. If the assets transferred to the Minnesota state retirement system include securities which are not proper investments pursuant to section 11.16, those securities may be retained by the board of directors for a period of time not to exceed the maturity date of the security involved or twenty-four months after the date of the transfer of the assets, whichever is earlier. Notwithstanding any contrary provision of section 11.25, subdivision 10, the Minnesota state retirement system shall not be required to sell any of the transferred securities and transfer cash equal to the required reserves to be transferred to the Minnesota adjustable fixed benefit fund pursuant to section 8, subdivision 3, of this act. The transfer to the Minnesota adjustable fixed benefit fund shall be made from those transferred securities which are proper investments pursuant to section 11.16. If the transfer results in an adverse change in portfolio balance of the Minnesota adjustable fixed benefit fund, exceeding the limitations set forth in section 11.25, subdivision 2, the deviation may be permitted by the state board of investment for a period not to exceed three months from the date that the portfolio balance limitation was exceeded.

Subd. 2. [VALUATION OF ASSETS.] The assets of the metropolitan transit commission—transit operating division employees retirement fund shall be valued upon the date of transfer in a manner agreeable to the retirement allowance committee of the metropolitan transit commission—transit operating division employees retirement fund and the board of directors of the Minnesota state retirement system. In determining the value of the assets of the metropolitan transit commission—transit operating division employees retirement fund, the board of trustees of the Minnesota state retirement system shall utilize the state board of investment in an advisory capacity. If the two parties cannot agree on the value of the assets of the metropolitan transit commission—transit operating division employees retirement fund, then the board of trustees of the Minnesota state retirement system shall specify the value of the assets. If the retirement allowance committee contests the value of the assets as specified by the board of directors of the Minnesota state retirement system, then the dispute shall be submitted to the district court of the second judicial district.

*Subd. 3. [TRANSFER OF RECORDS.] On the effective date of this act, the retirement allowance committee of the metropolitan transit commission—transit operating division employees retirement fund shall transfer to the Minnesota state retirement system all records and documents relating to the metropolitan transit commission—transit operating division employees retirement fund and any of its members, including certified copies of the most recent and all previous collective bargaining agreements relating to retirement and the retirement fund, which are in the possession of the retirement allowance committee, the actuary of the retirement fund, the metropolitan transit commission or labor organization which is the exclusive bargaining agent for employees of the transit operating division of the metropolitan transit commission. In addition, the retirement allowance committee shall certify the following to the board of directors of the Minnesota state retirement system:*

*(a) The date of retirement or commencement of retirement annuities or benefits of and the amounts entitled to be received by all persons receiving retirement allowances or annuities, disability benefits, survivorship annuities and survivor of deceased active employee benefits from the metropolitan transit commission—transit operating division employees retirement fund as of the effective date of this act; and*

*(b) The amount of member or employee contributions made by, the dates of service commencement and termination of, the length of service credited to, and the salaries of all active and inactive members of the metropolitan transit commission—transit operating division employees retirement fund as of the effective date of this act.*

*Subd. 4. [TERMINATION OF THE FUND.] Upon the transfer of the assets, liabilities and records of the metropolitan transit commission—transit operating division employees retirement fund to the Minnesota state retirement system, the metropolitan transit commission—transit operating division employees retirement fund shall cease to exist as a legal entity. As its final official act, the retirement allowance committee shall notify in writing the secretary of the federal department of labor of the termination of the fund and the transfer of pension coverage and obligations to the fund to the Minnesota state retirement system. A copy of this act shall also be included with the written notification.*

**Sec. 12. [ADDITIONAL EMPLOYER OBLIGATION TO AMORTIZE UNFUNDED ACCRUED LIABILITIES.]** *In order to amortize the additional unfunded accrued liability incurred by the Minnesota state retirement system as a result of the consolidation of the metropolitan transit commission—transit operating division employees retirement fund, and to place the metropolitan transit commission on an equivalent basis with the other employing units and agencies having employees*

covered by the Minnesota state retirement system, the metropolitan transit commission shall make an annual contribution to the Minnesota state retirement system in addition to the employer contribution specified in section 352.04, subdivision 3. The additional contribution shall be an amount equal to three and eight-tenths percent of the salaries of employees of the transit operating division of each payroll abstract, commencing July 1, 1978, and payable for a period of 20 years.

Sec. 13. [DISABILITY AND SURVIVORSHIP COVERAGE.] *From and after the effective date of this act, the metropolitan transit commission shall provide for all active employees of the transit operating division of the metropolitan transit commission disability and survivorship coverage which, when added to the disability benefit or the survivorship benefit payable from the Minnesota state retirement system pursuant to section 352.113 or 352.12, subdivision 2, will at least equal the disability benefit or the survivorship benefit which that employee at the time of disability or the employee's surviving spouse at the time of the death of the employee while on active duty would have been entitled to receive under the disability benefit or survivor of active employee deceased while on active duty benefit provisions of the metropolitan transit commission—transit operating division employees retirement fund plan document in effect immediately prior to the effective date of this act. The metropolitan transit commission may elect to provide the additional disability and survivorship coverage either through contract with an insurance carrier or through self insurance. If the commission elects to provide the coverage through an insurance contract, the chairman of the metropolitan transit commission is authorized to request bids from, or to negotiate with, insurance carriers and to enter into contracts with carriers which in the judgement of the commission are best qualified to underwrite and service this insurance benefit coverage. The commission shall consider factors such as the cost of the contracts as well as the service capabilities, character, financial position and reputation with respect to carriers under consideration, as well as any other factors which the commission deems appropriate. The disability and survivorship insurance contract with the particular insurance carrier shall be for a uniform term of at least one year, but may be made automatically renewable from term to term in absence of notice of termination by either party. The disability and survivorship insurance contract shall contain a detailed statement of benefits offered, maximums, limitations and exclusions. A summary description of the essential terms of the contract shall be provided by the commission to the labor organization which is the exclusive bargaining agent representing employees of the transit operating division of the metropolitan transit commission and to each active employee of the transit operating division. The determination of whether the disability or survivorship insurance coverage meets the minimum requirements of this section shall be made by the commission upon consultation with the executive director of the Minnesota state retirement system. If the disability or survivorship coverage pro-*

vided by the metropolitan transit commission fails at any time after the effective date of this act to meet the requirements of this section as to the level of disability or survivorship coverage to be provided, the deficiency in the actual benefits provided shall continue to be an obligation of the commission. Notwithstanding any provisions of chapter 179 to the contrary, the labor organization which is the exclusive bargaining agent representing employees of the transit operating division of the metropolitan transit commission may meet and bargain with the commission on an increase in the level of disability or survivor of active employee deceased while on active duty coverage to be provided by the commission at the same time that wages and other terms and conditions of employment are considered.

Sec. 14. [MANDATORY RETIREMENT AGE.] An employee of the transit operating division of the metropolitan transit commission and an employee on leave of absence from the transit operating division of the metropolitan transit commission who is employed by the labor organization which is the exclusive bargaining agent representing employees of the transit operating division shall terminate employment on the first day of the month next following the month in which the employee reaches the age of 65; provided, however, that an employee of the transit operating division may be employed beyond the age of 65 at the option of the metropolitan transit commission, but shall not be employed beyond the first day of the month next following the month in which the employee reaches the age of 70.

Sec. 15. [NONAPPLICABILITY OF CERTAIN PROVISIONS.] Nothing required by any provision of this act shall constitute abandonment of the plan within the meaning of that or a similar term contained in any collective bargaining agreement entered into between the metropolitan transit commission and the labor organization which is the exclusive bargaining agent representing employees of the transit operating division of the metropolitan transit commission.

Sec. 16. [EMPLOYER CONTRIBUTIONS FOR CERTAIN EMPLOYEES.] Notwithstanding any contrary provisions of section 352.029, the metropolitan transit commission shall make the employer contributions required pursuant to section 352.04, subdivision 3, for any employee on authorized leave of absence from the transit operating division of the metropolitan transit commission who is employed by the labor organization which is the exclusive bargaining agent representing employees of the transit operating division and who is covered by the Minnesota state retirement system in addition to all other employer contributions the commission is required to make.

Sec. 17. [GENERAL ADMINISTRATION.] Any provisions of this act relating to the administration of provisions of the metropolitan transit commission—transit operating division

*employees retirement fund plan documents in force on or prior to the effective date of this act shall be governed by the provisions of Minnesota Statutes, Chapter 352, in all instances where not inconsistent with the explicit provisions of any plan document.*

**Sec. 18. [REFUND OF CERTAIN EMPLOYEE CONTRIBUTIONS.]** *All active employees of the transit operating division of the metropolitan transit commission who were members of the metropolitan transit commission—transit operating division employees retirement fund on June 30, 1978, and who made employee contributions to that retirement fund shall be entitled to a refund of any employee contributions to that retirement fund in excess of four percent of covered salary made between January 1, 1978 and June 30, 1978. The refund shall be made on or after July 1, 1978 upon the employee filing a valid application with the executive director of the Minnesota state retirement system.*

**Sec. 19. [FUTURE ACTUARIAL VALUATIONS.]** *Notwithstanding section 356.215, the retirement fund allowance committee of the metropolitan transit commission—transit operating division employees retirement fund shall not be required to have an actuarial valuation made as of January 1, 1978. The executive director of the Minnesota state retirement system shall include the transferred membership, liabilities and assets of the metropolitan transit commission—transit operating division employees retirement fund in the valuation of the Minnesota state retirement system next following the effective date of this act.*

**Sec. 20. [EFFECTIVE DATE.]** *This act shall be effective July 1, 1978.*

**Sec. 21. [RETROACTIVE EFFECT.]** *This act shall have retroactive application for any person who, on or after January 1, 1978, but prior to July 1, 1978:*

*(a) Terminates active service from the transit operating division of the metropolitan transit commission with less than ten years of active service;*

*(b) Terminates active service from the transit operating division of the metropolitan transit commission with at least ten years of active service;*

*(c) Becomes so disabled that the person is unable to continue to perform his duties as an active employee of the transit operating division of the metropolitan transit commission within the meaning of article ten of the most recent collective bargaining agreement in force between the metropolitan transit commission and the labor organization which is the exclusive bargaining agent representing employees of the transit operating*

*division of the metropolitan transit commission and has at least five years of active service; or*

*(d) Becomes the surviving spouse of a former active employee of the transit operating division of the metropolitan transit commission who dies as a result of an accident which occurs during his employment with the transit operating division.*

*Any person obtaining the status described in clause (a) shall be entitled to receive a refund of employee contributions under section 352.22, subdivision 2a. Any person obtaining the status described in clause (b) shall be entitled to receive an annuity under section 352.115, subdivisions 2 and 3, notwithstanding that the person had not attained the minimum age specified in section 352.115, subdivision 1, at the time of the commencement of the annuity; provided, however, that the early retirement reduction factor specified in section 352.116, subdivision 1, shall apply unless the age of the person at the commencement of the annuity was at least 65 if the person had credit for ten or more years of service, or was at least age 62 if the person had credit for 30 or more years of service. Any person obtaining the status described in clause (c) shall be entitled to receive a benefit in an amount equal to the accrued retirement annuity computed pursuant to section 352.115, subdivisions 2 and 3, without the reduction for early commencement of the benefit set forth in section 352.116, with a minimum disability benefit of \$130 per month and a maximum disability benefit of the amount of the disability benefit which, when added to any earnings from partial or total re-employment, shall not exceed 85 percent of the current top rate of salary paid to the employment position classification held by the person at the time of the occurrence of the disability. Upon the commencement of a disability under this section, section 352.113, subdivisions 1 to 11 shall not be considered applicable to that person. Any person obtaining the status described in clause (d) shall be entitled to receive a benefit in an amount equal to the benefit provided by section 352.12, subdivision 2, notwithstanding the fact that the former active employee may not have attained one of the ages or have been credited with one of the lengths of service specified in that subdivision.*

*Any person entitled to receive an increase pursuant to section 9 of this act shall be entitled to receive the increase retroactively to January 1, 1978. The first payment of retirement allowances or annuities, disability benefits, survivorship annuities or survivorship benefits shall include the retroactive amounts."*

Further, amend the title:

Page 1, line 8, after the semicolon, delete "and".

Page 1, line 9, after "subdivision;" insert "356.20, 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. 2151, A bill for an act relating to unclaimed property; providing for reporting of certain unclaimed intangible property; amending Minnesota Statutes 1976, Sections 345.38, by adding a subdivision; 345.54; and 345.55, by adding a subdivision.

Reported the same back with the following amendments:

Page 2, after line 1, insert a new section:

"Sec. 2. Minnesota Statutes, 1977 Supplement, Section 345.41, is amended to read:

345.41 [REPORT OF ABANDONED PROPERTY.] (a) Every person holding funds or other property, tangible or intangible, presumed abandoned under sections 345.31 to 345.60 shall report annually to the state treasurer with respect to the property as hereinafter provided.

(b) The report shall be verified and shall include:

(1) except with respect to traveler's checks and money orders, the name, if known, and last known address, if any, of each person appearing from the records of the holder to be the owner of any property of the value of \$10 or more presumed abandoned under sections 345.31 to 345.60;

(2) in case of unclaimed funds of life insurance corporations, the full name of the policyholder, insured or annuitant and his last known address according to the life insurance corporation's records;

(3) the nature and identifying number, if any, or description of the property and the amount appearing from the records to be due, except that items of value under \$10 each may be reported in aggregate;

(4) the date when the property became payable, demandable or returnable, and the date of the last transaction with the owner with respect to the property; and

(5) other information which the state treasurer prescribes by rule as necessary for the administration of sections 345.31 to 345.60.

(c) If the person holding property presumed abandoned is a successor to other persons who previously held the property for the owner, or if the holder has changed his name while holding the property, he shall file with his report all prior known names and addresses of each holder of the property.

(d) The report shall be filed before November 1 of each year as of June 30 next preceding, but the report of life insurance corporations shall be filed before May 1 of each year as of December 31 next preceding. The state treasurer may postpone the reporting date upon written request by any person required to file a report.

(e) If the holder of property presumed abandoned under sections 345.31 to 345.60 knows the whereabouts of the owner and if the owner's claim has not been barred by the statute of limitations, the holder shall, before filing the annual report, inform the owner of the steps necessary to prevent abandonment from being presumed.

(f) Verification, if made by a partnership, shall be executed by a partner; if made by an unincorporated association or private corporation, by an officer, and if made by a public corporation, by its chief fiscal officer.

(g) Holders of property described in section 345.32 shall not impose any charges against property which is described in section 345.32, clauses (a), (b) or (c).

(h) Any person who has possession of property which he has reason to believe will be reportable in the future as unclaimed property may, with the permission of the state treasurer, report and deliver such property prior to the date required for reporting in accordance with this section.

*(i) The provisions contained in section 345.41, which reduced from 20 years to seven years the time periods for which unclaimed property must be held prior to the property being presumed abandoned, require that every person holding funds or other property, tangible or intangible, presumed abandoned under sections 345.31 to 345.60 as so amended report the same pursuant to section 345.41, clause (d), before November 1, 1977, it being the express intention of the legislature that said amendments be retroactive to that extent."*

Renumber the sections.

Further, amend the title:

Page 1, line 6, after "subdivision" insert "; and Minnesota Statutes, 1977 Supplement, Section 345.41".

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. 2159, A bill for an act relating to courts; permitting personal jurisdiction over non-residents for causes of action relating to tortious acts; revising the provision to accord with federal constitutional requirements; amending Minnesota Statutes 1976, Section 543.19, Subdivision 1.

Reported the same back with the following amendments:

Page 2, line 2, delete "Either".

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. 2220, A bill for an act relating to retirement; hospital and medical benefits for retired or disabled state officials and employees; appropriating funds; amending Minnesota Statutes 1976, Chapter 43, by adding a section.

Reported the same back with the following amendments:

Strike everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1976, Section 43.491, is amended by adding a subdivision to read:

*Subd. 5. Notwithstanding the restriction contained in section 43.44, subdivision 2, a retired or disabled employee receiving an annuity benefit through the Minnesota state retirement system or an annuity benefit as a result of service as a state employee as defined in section 43.43, subdivision 2, may elect to participate at his own expense in the hospital benefits coverage and medical benefits coverage provided by sections 43.42 to 43.50. The annuitant, or the surviving spouse of an annuitant, may also at his own expense obtain hospital benefits coverage and medical benefits coverage for his spouse who meets the general dependent eligibility requirements for those coverages. The commissioner, by rule, shall establish forms and procedures, eligibility requirements and enrollments periods for exercise of the option provided by this subdivision and for the payment of necessary premiums. The commissioner's rules shall also provide*

*for coordination of benefits with medicare, parts A and B. The annuitant shall pay the full cost of the coverage provided to him or to his spouse under this subdivision as determined from time to time by the commissioner. Until rules are established under this subdivision, the annuitant or the surviving spouse of an annuitant may exercise his option by notifying the commissioner in writing and by tendering payment of premiums as required by the commissioner.*

Sec. 2. *This act is effective April 1, 1978.*"

Further, delete the title in its entirety and insert:

"A bill for an act relating to state employees; authorizing persons receiving annuity benefits from the Minnesota state retirement system to participate in the state group health insurance program; amending Minnesota Statutes 1976, Section 43.491, by adding a subdivision."

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. 2281, A bill for an act relating to conveyances; providing for the adoption of uniform conveyancing forms to replace certain forms in use; amending Minnesota Statutes 1976, Section 507.09.

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

The report was adopted.

Swanson from the Committee on Health and Welfare to which was referred:

H. F. No. 2099, A bill for an act relating to education; pupils; providing for a universal school breakfast program in each district.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Education.

The report was adopted.

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

H. F. No. 2040, A bill for an act relating to education; adopting the Midwestern Education Compact; implementing the operation of such compact.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

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

H. F. No. 2170, A bill for an act relating to education; higher education coordinating board; providing for a statewide testing program; appropriating money.

Reported the same back with the following amendments:

Page 1, line 9, after "state" insert "who desire to participate,".

Page 2, line 7, delete "(a)" and insert "Subdivision 1.".

Page 2, line 14, after the comma insert "the Minnesota school boards association,".

Page 2, line 20, after the period insert "The expiration of this advisory task force and the terms, compensation and removal of its members shall be as provided in section 15.059, subdivision 6.".

Page 2, line 21, delete "(b)" and insert "Subd. 2.".

Page 2, line 23, delete "its" and insert "the program status and the boards".

Page 2, line 25, delete "(c)" and insert "Subd. 3.".

Page 2, line 32, after "students" insert ", who desire to participate in the program,".

Page 3, line 2, after "of" insert "sections 1 to 4 of".

Further amend the title as follows:

Page 1, line 4, delete "testing" and insert "career guidance".

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. 1797, A bill for an act relating to the city of Zumbrota; authorizing the sale of certain public land.

Reported the same back with the following amendments:

Page 1, line 6, delete "For the purpose of developing a senior".

Page 1, line 7, delete "citizens residential complex,".

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. 1913, A bill for an act relating to the Minneapolis-Saint Paul metropolitan airports commission; providing a maximum amount and funding terms for commission debt; amending Minnesota Statutes 1976, Section 473.667, Subdivisions 2 and 4, and by adding a subdivision.

Reported the same back with the following amendments:

Page 1, line 16, after "the" insert "*principal*".

Page 1, line 16, strike "borrowing authorized by" and insert "*bonds that may be issued under*".

Page 1, line 18, strike "July 1, 1974" and insert "*March 1, 1978*".

Page 1, line 19, delete "\$50,000,000" and insert "\$30,000,000".

Page 3, line 8, delete "*prevent the levy of*".

Page 3, line 9, delete "*taxes for*" and insert "*pay principal and interest due on the following year on*".

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. 2052, A bill for an act relating to aeronautics; modifying airport zoning regulations to protect existing resi-

dential neighborhoods; amending Minnesota Statutes 1976, Sections 360.062; 360.066, Subdivision 1, and by adding a subdivision.

Reported the same back with the following amendments:

Page 3, line 29, delete "low".

Page 3, delete line 30.

Page 3, line 31, delete "particularly".

Page 3, line 31, delete "associated".

Page 3, line 32, delete "uses" and insert "isolated undeveloped residential parcels existing on January 1, 1978".

Page 4, after line 17, insert a section to read:

*"Sec. 4. Nothing in this act shall be construed to require the amendment of local zoning ordinances to give conforming use status to a use or structure which is currently nonconforming under an existing local zoning ordinance."*

Renumber the following section accordingly.

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. 2292, A bill for an act relating to cities; establishing requirements for financial statements, reports and audits; providing a time limit for submissions of certain reports to the state auditor; providing for enforcement of reporting requirements; appropriating money; amending Minnesota Statutes 1976, Chapter 471, by adding sections; repealing Minnesota Statutes 1976, Sections 412.281 and 412.291.

Reported the same back with the following amendments:

Strike everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1976, Chapter 471, is amended by adding a section to read:

[471.695] [DEFINITIONS.] *For the purposes of sections 1 to 5, "city" means a statutory city or home rule charter city.*

Sec. 2. Minnesota Statutes 1976, Chapter 471, is amended by adding a section to read:

[471.696] [FISCAL YEAR; DESIGNATION.] *Beginning in 1979 the fiscal year of a city and all of its funds shall be the calendar year. The state auditor may upon request of a city and a showing of inability to conform, extend the deadline for compliance with this section for one year.*

Sec. 3. Minnesota Statutes 1976, Chapter 471, is amended by adding a section to read:

[471.697] [FINANCIAL REPORTING; AUDITS; CITIES OF MORE THAN 2,500 POPULATION.] *Subdivision 1. In any city with a population of more than 2,500 according to the latest state or federal census, the city clerk or chief financial officer shall:*

(a) *Prepare a financial report covering the city's operations during the preceding fiscal year after the close of the fiscal year. The report shall contain financial statements and disclosures which present the city's financial position and the results of city operations in conformity with generally accepted accounting principles. The report shall include such information and be in such form as may be prescribed by the state auditor;*

(b) *File the financial report in his office for public inspection and present it to the city council after the close of the fiscal year. One copy of the financial report shall be furnished to the state auditor after the close of the fiscal year; and*

(c) *Submit to the state auditor audited financial statements which have been attested to by a certified public accountant, public accountant, or the state auditor within 180 days after the close of the fiscal year, except that the state auditor may upon request of a city and a showing of inability to conform, extend the deadline. The state auditor may accept this report in lieu of the report required in clause (b) above.*

*Subd. 2. The state auditor shall continue to audit cities of the first class pursuant to section 6.49.*

Sec. 4. Minnesota Statutes 1976, Chapter 471, is amended by adding a section to read:

[471.698] [FINANCIAL REPORTING; CITIES OF LESS THAN 2,500 POPULATION.] *Subdivision 1. In any city with a population of less than 2,500 according to the latest state or federal census, the city clerk or chief financial officer shall:*

(a) *Prepare a detailed statement of the financial affairs of the city in the style and form prescribed by the state auditor, for*



*the preceding fiscal year showing all money received, with the sources, and respective amounts thereof; all disbursements for which orders have been drawn upon the treasurer, to whom and for what purposes; the amount of outstanding and unpaid orders; all accounts payable; all indebtedness; contingent liabilities; all accounts receivable; the amount of money remaining in the treasury; and all items necessary to show accurately the revenues and expenditures and financial position of the city;*

*(b) File the statement in his office for the public inspection and present it to the city council within 45 days after the close of the fiscal year;*

*(c) (1) Publish the statement within 60 days after the close of the fiscal year in a newspaper published in the city; or*

*(2) If there is no newspaper in the city, the clerk shall, at the direction of the city council, publish the statement in the official newspaper published elsewhere or post copies in three of the most public places in the city; or*

*(3) If city council proceedings are published monthly or quarterly, showing to whom and for what purpose orders are drawn upon the treasurer, the annual statement to be published as required by this section may be summarized in such form as the state auditor may prescribe; and*

*(d) Submit within 90 days after the close of the fiscal year a copy of the statement to the state auditor in such summary form as the state auditor may prescribe.*

*Subd. 2. Any city described in subdivision 1 may comply with the provisions of section 3, in which case the provisions of subdivision 1 shall not apply to the city.*

**Sec. 5. Minnesota Statutes 1976, Chapter 471, is amended by adding a section to read:**

**[471.699] [ENFORCEMENT OF REPORTING REQUIREMENTS.]** *Failure of a city to timely file a statement or report under section 3 or 4 shall, in addition to any other penalties provided by law, authorize the state auditor to send full time personnel to the city or to contract with private persons, firms or corporations pursuant to section 6.58, in order to complete and file the financial statement or report. The expenses related to the completion and filing of the financial statement or report shall be charged to the city. Upon failure by the city to pay the charge within 30 days of billing, the state auditor shall so certify to the commissioner of finance who shall forward the amount certified to the state auditor's revolving fund and deduct the amount from any state funds due to the city under any shared taxes or aids. The state auditor's annual report on cities shall include a listing of all cities failing to file a statement or report.*

Sec. 6. [APPROPRIATION.] *There is appropriated to the state planning agency the sum of \$50,000 from the general fund for the period ending June 30, 1979 for the purpose of making grants to cities for converting from a cash basis to a modified accrual basis of financial reporting and for training city clerks or chief financial officers in the methods of a modified accrual basis of financial reporting.*

Sec. 7. [REPEALER.] *Minnesota Statutes 1976, Sections 412.281 and 412.291, are repealed.*

Sec. 8. [EFFECTIVE DATE.] *This act is effective January 1, 1979."*

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

The report was adopted.

Lemke from the Committee on Transportation to which was referred:

H. F. No. 2254, A bill for an act relating to motor vehicles; providing for handicapped license plates on passenger vehicles; establishing motorized bicycle operator permit fees; prohibiting operation of motor vehicles during periods of license cancellation, suspension or revocation; removing certain restrictions relating to issuance of a limited license; amending Minnesota Statutes 1976, Sections 171.20, Subdivision 2; 171.24; and 171.30, Subdivision 1; and Minnesota Statutes, 1977 Supplement, Sections 168.021, Subdivision 1; and 171.02, Subdivision 3.

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

The report was adopted.

Lemke from the Committee on Transportation to which was referred:

H. F. No. 2256, A bill for an act relating to highway traffic regulation; concerning accident reports; making reports available for accident prevention purposes to additional agencies; concealing the identity of involved persons; amending Minnesota Statutes 1976, Section 169.09, Subdivision 13.

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

The report was adopted.

Lemke from the Committee on Transportation to which was referred:

H. F. No. 2298, A bill for an act relating to highway traffic regulation; change of course; clarifying requirement to signal a turn; amending Minnesota Statutes 1976, Section 169.19, Subdivision 4.

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

The report was adopted.

Lemke from the Committee on Transportation to which was referred:

H. F. No. 2299, A bill for an act relating to highways; county state-aid highway system; allocation of apportionments; authorizing money credited to the municipal account to be used on certain county state-aid highways; amending Minnesota Statutes 1976, Section 162.08, Subdivision 4.

Reported the same back with the following amendments:

Page 1, line 9, delete "LEGGISLATURE" and insert "LEGISLATURE".

Page 1, line 9, delete "STTE" and insert "STATE".

Page 1, line 21, strike "and regulations".

Page 2, line 2, strike the last "and".

Page 2, line 3, strike "regulations".

Page 2, line 6, strike "and regulations".

Page 2, line 24, delete "*current and*".

Page 3, line 13, after "*standards*" insert a comma.

Page 3, line 16, after "*budget*" insert "*consistent with the county's transportation plan, or there are justifiable reasons, beyond the control of the county that prohibit the county from programming or constructing the requested improvement or improvements, which have been created by or within the city*".

With the recommendation that when so amended the bill pass.

The report was adopted.

**SECOND READING OF HOUSE BILLS**

H. F. Nos. 2116, 2389, 1884, 1976, 1286, 1754, 1220, 1400, 1599, 1663, 2093, 2094, 2151, 2159, 2220, 2281, 1797, 1913, 2052, 2254, 2256, 2298 and 2299 were read for the second time.

**SECOND READING OF SENATE BILLS**

S. F. Nos. 1698, 1637, 1787 and 1643 were read for the second time.

**INTRODUCTION AND FIRST READING  
OF HOUSE BILLS**

The following House Files were introduced:

Beauchamp, Pehler, Dean, Arlandson and Anderson, G., introduced:

H. F. No. 2476, A bill for an act relating to education; public radio; providing grants for noncommercial educational radio stations serving Minnesota and supervision of grant expenditures; appropriating money.

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

Anderson, G., and Anderson, D., introduced:

H. F. No. 2477, A bill for an act relating to education; providing funds for public education television; appropriating money.

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

Anderson, D., and Anderson, G., introduced:

H. F. No. 2478, A bill for an act relating to appropriations; providing funds to pay certain special assessments against the state for ditch improvements in the county of Swift.

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

Kahn, Casserly, Stanton, Adams and Clark introduced :

H. F. No. 2479, A bill for an act relating to domestic abuse; authorizing judicial intervention to provide protection from domestic abuse; prescribing penalties.

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

Kahn, Stanton, Casserly, Adams and Forsythe introduced :

H. F. No. 2480, A bill for an act relating to criminal procedure; requiring judicial review of bail for persons charged with spouse assault; amending Minnesota Statutes 1976, Chapter 629, by adding a section.

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

Kahn, Stanton, Casserly, Adams and Clark introduced :

H. F. No. 2481, A bill for an act relating to criminal procedure; permitting peace officers to make arrests upon probable cause in cases of spouse assault; extending immunity from suit to peace officers who make good faith arrests upon probable cause; amending Minnesota Statutes 1976, Chapter 629, by adding a section.

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

Kahn, Casserly, Voss, Osthoff and Wynia introduced :

H. F. No. 2482, A bill for an act relating to educational programs; athletics and other extracurricular activities; permitting limited separation on the basis of sex in athletic programs operated by educational institutions or public services; establishing a state board of high school interscholastic athletics and extracurricular activities; prescribing its powers and duties; appropriating money; amending Minnesota Statutes 1976, Chapters 121, by adding a section; 129, by adding sections; and 363, by adding sections; repealing Minnesota Statutes 1976, Sections 126.21 and 129.121.

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

Wenstrom; Sieben, H.; Langseth; Anderson, R., and Evans introduced:

H. F. No. 2483, A bill for an act relating to waters; appeals of decisions on water use permits to district court; amending Minnesota Statutes, 1977 Supplement, Section 105.44, Subdivision 3.

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

Fugina and Begich introduced:

H. F. No. 2484, A bill for an act relating to game and fish; authorizing additional conservation officers.

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

Braun, Corbid and Prah! introduced:

H. F. No. 2485, A bill for an act relating to timber lands; auction and informal sales of state timber; authorizing the commissioner of natural resources to grant a second extension of time for removal of cut timber, equipment and buildings for hardship reasons; removing the requirement of a certain affidavit for informal sales; amending Minnesota Statutes 1976, Sections 90.151, Subdivision 1; and 90.191, Subdivisions 1 and 2.

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

Skoglund, Enebo, Clark, Berglin and Brandl introduced:

H. F. No. 2486, A bill for an act relating to elections; providing for comprehensive reporting of campaign financing for election of county attorney for Hennepin county; amending Minnesota Statutes 1976, Sections 10A.01, Subdivision 5, as amended; 10A.09, Subdivision 1; 10A.14, Subdivision 1, as amended; and 10A.20, Subdivision 2, as amended.

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

Battaglia, Begich, Osthoff and Fugina introduced:

H. F. No. 2487, A bill for an act relating to public land acquisition; limiting acquisition in certain counties.

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

St. Onge introduced:

H. F. No. 2488, A bill for an act relating to public lands; authorizing the exchange of certain state-owned lands for the interests of a county or city in certain other lands; amending Minnesota Statutes 1976, Sections 94.343, Subdivision 1; and 94.344, Subdivision 1; and Chapter 94, by adding a section.

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

Beauchamp introduced:

H. F. No. 2489, A bill for an act relating to education; public broadcasting; extending the expiration date of the legislative study commission on public broadcasting; amending Laws 1977, Chapter 445, Section 3, Subdivision 3.

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

Patton and Sieben, H., introduced:

H. F. No. 2490, A bill for an act relating to the organization and operation of government; requiring a study of the proper role and structure of metropolitan government agencies; requiring a review of the distribution of powers and duties between the metropolitan council, the metropolitan commissions, the legislature and political subdivisions within the metropolitan area; mandating a report; providing for certain services to be performed by the state planning agency; appropriating money.

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

Jacobs and Kelly, W., introduced:

H. F. No. 2491, A bill for an act relating to taxation; income tax; providing as an option an alternative tax on gross income; providing income splitting for married taxpayers; setting out a rate schedule; amending Minnesota Statutes 1976, Section 290.06, by adding a subdivision.

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

Gunter and Anderson, D., introduced:

H. F. No. 2492, A bill for an act relating to the department of transportation; concerning the names and designations of certain highways; regarding the Glacial Ridge Trail; relating to directional markings; amending Minnesota Statutes 1976, Section 161.14, Subdivision 15.

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

Norton, for the Committee on Appropriations, introduced:

H. F. No. 2493, A bill for an act relating to public improvements; authorizing alteration, repair, rehabilitation, equipping, and replacement of equipment of public buildings with certain conditions; postponing deadline for submission of capital budget; authorizing purchase and sale of public lands and buildings; appropriating money; amending Minnesota Statutes 1976, Section 16A.11, Subdivision 1.

The bill was read for the first time and laid over one day.

Norton, for the Committee on Appropriations, introduced:

H. F. No. 2494, A bill for an act relating to public improvements; authorizing the acquisition and betterment of public land and buildings and other public improvements of a capital nature with certain conditions; authorizing issuance of state building bonds; authorizing university of Minnesota to participate in shade tree disease control program; limiting capital improvements at vocational-technical schools; appropriating money; amending Minnesota Statutes 1976, Sections 121.21, Subdivision 4a; 121.214, Subdivisions 1, 3, and 4; 124.564; and Minnesota Statutes, 1977 Supplement, Section 18.023, Subdivisions 1 and 3a; repealing Minnesota Statutes, 1977 Supplement, Sections 16.015 and 16.016.

The bill was read for the first time and laid over one day.

#### HOUSE ADVISORIES

Pursuant to rule 5.3, the following House Advisories were introduced:

George, Osthoff, Rice, Samuelson and Cummiskey introduced:

H. A. No. 75, A proposal to study need for and legality of higher campaign expenditure limits for nonincumbents.

The advisory was referred to the Committee on General Legislative and Veterans Affairs.



Sieben, H.; Zubay; Berglin; Kaley and Clawson introduced:

H. A. No. 76, A proposal for study of state management positions.

The advisory was referred to the Committee on Governmental Operations.

### 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. 1879, A bill for an act relating to the trunk highway system; discontinuing and removing certain routes therefrom; adding a new route in substitution of an existing route.

H. F. No. 1882, A bill for an act relating to commerce; repealing the fair trade laws; repealing Minnesota Statutes 1976, Sections 325.08 to 325.14.

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. 1194 and 1547.

PATRICK E. FLAHAVEN, Secretary of the Senate

### FIRST READING OF SENATE BILLS

S. F. No. 1194, 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.

S. F. No. 1547, A bill for an act relating to Independent School District No. 624 and Independent School District No. 12; providing for the exchange of territory between the districts.

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

## PROGRESS REPORTS ON CONFERENCE COMMITTEES

Pursuant to Joint Rule 2.06, progress on H. F. Nos. 544 and 405 and S. F. No. 65 was reported to the House.

## CONSENT CALENDAR

H. F. No. 2175 was reported to the House.

There being no objection, H. F. No. 2175 was continued on the Consent Calendar for one day.

H. F. No. 2008 was reported to the House.

Hokanson moved that H. F. No. 2008 be re-referred to the Committee on Appropriations. The motion prevailed.

## CALENDAR

H. F. No. 1345, A bill for an act relating to water well contractors; requiring water well drilling machines to be operated by licensed water well contractors; amending Minnesota Statutes 1976, Sections 156A.02, Subdivision 3; 156A.03, Subdivisions 1 and 2; 156A.05, by adding a subdivision.

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 80 yeas and 33 nays as follows:

Those who voted in the affirmative were:

Abeln	Carlson, L.	Hokanson	Mangan	Schulz
Adams	Clark	Jacobs	Mann	Searle
Anderson, I.	Clawson	Jaros	McCarron	Sieben, H.
Arlandson	Cohen	Jude	McCollar	Sieben, M.
Battaglia	Corbid	Kahn	McEachern	Simoneau
Beauchamp	Cummiskey	Kalis	Munger	Skoglund
Begich	Dean	Kelly, R.	Neisen	Spanish
Berg	Ellingson	Kelly, W.	Nelsen, M.	Swanson
Berglin	Enebo	Kempe, A.	Nelson	Tomlinson
Berkelman	Erickson	Kempe, R.	Novak	Waldorf
Biersdorf	Ewald	King	Osthoff	Welch
Brandl	Faricy	Knickerbocker	Petrafeso	Wenstrom
Braun	Fugina	Kostohryz	Prahl	Wenzel
Brinkman	George	Kroening	St. Onge	White
Byrne	Gunter	Langseth	Sarna	Wynia
Carlson, A.	Hanson	Lehto	Scheid	Speaker Sabo

Those who voted in the negative were:

Albrecht	Carlson, D.	Fjoslien	Kaley	Niehaus
Anderson, B.	Den Ouden	Forsythe	Laidig	Onnen
Anderson, D.	Eckstein	Friedrich	McDonald	Peterson
Anderson, G.	Eken	Heinitz	Nelsen, B.	Pleasant

Redalen	Searles	Stanton	Vanasek	Zubay
Rose	Sherwood	Stoa	Wieser	
Savelkoul	Smogard	Suss	Wigley	

The bill was passed and its title agreed to.

H. F. No. 1137, A bill for an act relating to juvenile courts; disposition of delinquent children; counselling program; restitution; amending Minnesota Statutes 1976, Section 260.185, Subdivision 1, and by adding a subdivision.

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 119 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 1808, A bill for an act relating to special school district No. 1 of the city of Minneapolis; establishing four year terms of office for directors of the board of education; amending Laws 1959, Chapter 462, Section 3, Subdivision 1, as amended and renumbered.

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 117 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

S. F. No. 1613, A bill for an act relating to courts; judges; removal due to mental or physical incapacity; amending Minnesota Statutes 1976, Section 490.16, Subdivision 5; repealing Minnesota Statutes 1976, Sections 490.04; 490.05; 490.06; 490.07; 490.08; and 490.09.

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 122 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeln	Byrne	Faricy	Kempe, A.	Murphy
Adams	Carlson, A.	Fjoslien	Kempe, R.	Neisen
Albrecht	Carlson, D.	Forsythe	King	Nelsen, B.
Anderson, B.	Carlson, L.	Friedrich	Knickerbocker	Nelsen, M.
Anderson, D.	Casserly	Fugina	Kostohryz	Nelson
Anderson, G.	Clark	George	Kroening	Niehaus
Anderson, I.	Clawson	Gunter	Laidig	Norton
Arlandson	Cohen	Hanson	Langseth	Novak
Battaglia	Corbid	Heinitz	Lehto	Onnen
Beauchamp	Cummiskey	Hokanson	Lemke	Osthoff
Begich	Dean	Jacobs	Mangan	Pehler
Berg	Den Ouden	Johnson	Mann	Peterson
Berglin	Eckstein	Jude	McCarron	Petrafaso
Berkelman	Eken	Kahn	McCollar	Pleasant
Biersdorf	Ellingson	Kaley	McDonald	Prahl
Brandl	Enebo	Kalis	McEachern	Redalen
Braun	Erickson	Kelly, R.	Moe	Reding
Brinkman	Ewald	Kelly, W.	Munger	Rice

Rose	Sherwood	Stanton	Waldorf	Williamson
St. Onge	Sieben, H.	Stoa	Welch	Wynia
Sarna	Sieben, M.	Suss	Wenstrom	Zubay
Savelkoul	Simoneau	Swanson	Wenzel	Speaker Sabo
Scheid	Skoglund	Tomlinson	White	
Schulz	Smogard	Vanasek	Wieser	
Searle	Spanish	Voss	Wigley	

The bill was passed and its title agreed to.

H. F. No. 1787, A bill for an act relating to education; higher education coordinating board; providing financial assistance.

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 122 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

S. F. No. 804, A bill for an act relating to highway traffic regulations; driving under the influence of alcohol or controlled substances; chemical tests 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 licenses 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; and Chapter 169, by adding sections; repealing Minnesota Statutes 1976, Section 171.245.

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 111 yeas and 9 nays as follows:

Those who voted in the affirmative were:

Abeln	Clawson	Johnson	Neisen	Skoglund
Adams	Cohen	Jude	Nelson, B.	Smogard
Albrecht	Corbid	Kahn	Nelson	Spanish
Anderson, B.	Cummiskey	Kaley	Niehaus	Stanton
Anderson, D.	Dean	Kalis	Norton	Stoa
Anderson, G.	Den Ouden	Kelly, R.	Novak	Suss
Anderson, I.	Eken	Kelly, W.	Onnen	Swanson
Arlandson	Ellingson	Kempe, A.	Pehler	Tomlinson
Battaglia	Enebo	Kempe, R.	Peterson	Vanasek
Beauchamp	Erickson	King	Petrafeso	Voss
Begich	Ewald	Knickerbocker	Pleasant	Waldorf
Berg	Faricy	Kostohryz	Prahl	Welch
Berglin	Fjoslien	Kroening	Reding	Wenstrom
Berkelman	Forsythe	Laidig	Rose	White
Biersdorf	Friedrich	Langseth	St. Onge	Wieser
Brandl	Fugina	Lehto	Savelkoul	Williamson
Brinkman	George	Lemke	Scheid	Wynia
Byrne	Gunter	Mangan	Schulz	Zubay
Carlson, A.	Hanson	Mann	Searle	Speaker Sabo
Carlson, D.	Heinitz	McCollar	Sherwood	
Carlson, L.	Hokanson	McDonald	Sieben, H.	
Casserly	Jacobs	Moe	Sieben, M.	
Clark	Jaros	Munger	Simoneau	

Those who voted in the negative were:

Anderson, R.	Eckstein	Osthoff	Sarna	Wigley
Braun	McEachern	Redalen	Wenzel	

The bill was passed and its title agreed to.

Clark, Clawson, Heinitz and Swanson were excused at 3:30 p.m.

### GENERAL ORDERS

Pursuant to rules of the House, the House resolved itself into the Committee of the Whole, with Sabo 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. 1612, 1931, 1773, 2020, 2023, 2283, 2372, 649 and 2111 which it recommended to pass.

S. F. No. 1637 which it recommended to pass.

H. F. Nos. 2043, 838 and 1256 which it recommended progress.

H. F. No. 1847 which it recommended progress until Thursday, March 9, 1978.

H. F. No. 1977 which it recommended progress until Tuesday, March 7, 1978.

H. F. Nos. 1861 and 2160 which it recommended progress until Wednesday, March 8, 1978.

S. F. No. 397 which it recommended re-referral to the Committee on Governmental Operations.

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:

The question was taken on the Carlson, D., motion to re-refer S. F. No. 397 to the Committee on Governmental Operations and the roll was called. There were 62 yeas and 60 nays as follows:

Those who voted in the affirmative were:

Adams	Casserly	George	Osthoff	Simoneau
Albrecht	Clark	Hanson	Pehler	Skoglund
Anderson, G.	Corbid	Jacobs	Peterson	Smogard
Anderson, I.	Cummiskey	Kalis	Petrafeso	Suss
Arlandson	Dean	Kelly, W.	Pleasant	Vanasek
Begich	Den Ouden	Kroening	Prahl	Voss
Berg	Eckstein	Laidig	Redalen	Welch
Biersdorf	Eken	Lemke	Rice	Wigley
Braun	Enebo	Mann	Sarna	Williamson
Byrne	Evans	McCarron	Savelkoul	Speaker Sabo
Carlson, A.	Fjoslien	Nelsen, M.	Scheid	
Carlson, D.	Forsythe	Niehaus	Searle	
Carlson, L.	Friedrich	Novak	Sieben, H.	

Those who voted in the negative were:

Abeln	Brinkman	Hokanson	King	Munger
Anderson, B.	Clawson	Jaros	Knickerbocker	Murphy
Anderson, D.	Cohen	Johnson	Kostohryz	Neisen
Anderson, R.	Ellingson	Jude	Langseth	Nelsen, B.
Battaglia	Erickson	Kahn	Lehto	Norton
Beauchamp	Ewald	Kaley	Mangan	Onnen
Berglin	Fugina	Kelly, R.	McCollar	Reding
Berkelman	Gunter	Kempe, A.	McDonald	Rose
Brandl	Heinitz	Kempe, R.	Moe	St. Onge

Schulz	Spanish	Swanson	Wenstrom	Wieser
Sherwood	Stanton	Tomlinson	Wenzel	Wynia
Sieben, M.	Stoa	Waldorf	White	Zubay

The motion prevailed.

Savelkoul moved to amend H. F. No. 1931, as follows:

Page 2, line 28, strike "five" insert "10".

The question was taken on the adoption of the amendment and the roll was called. There were 35 yeas and 83 nays as follows:

Those who voted in the affirmative were:

Albrecht	Den Ouden	Friedrich	McDonald	Savelkoul
Anderson, D.	Eckstein	Kaley	Nelsen, B.	Searle
Anderson, R.	Erickson	Kalis	Niehaus	Searles
Biersdorf	Evans	Kempe, R.	Onnen	White
Carlson, A.	Ewald	Knickerbocker	Peterson	Wieser
Carlson, D.	Fjoslien	Kvam	Pleasant	Wigley
Dean	Forsythe	Laidig	Redalen	Zubay

Those who voted in the negative were:

Abeln	Casserly	Jude	Murphy	Sieben, M.
Adams	Cohen	Kahn	Neisen	Simoneau
Anderson, B.	Corbid	Kelly, R.	Nelson	Skoglund
Anderson, G.	Cummiskey	Kelly, W.	Norton	Smogard
Anderson, I.	Eken	Kempe, A.	Novak	Spanish
Arlandson	Ellingson	King	Osthoff	Stanton
Battaglia	Enebo	Kostohryz	Patton	Stoa
Beauchamp	Faricy	Kroening	Pehler	Suss
Begich	Fugina	Langseth	Petrafeso	Tomlinson
Berg	George	Lehto	Prahl	Vanasek
Berglin	Gunter	Lemke	Reding	Waldorf
Berkelman	Hanson	Mangan	Rice	Wenstrom
Brandl	Hokanson	Mann	St. Onge	Wenzel
Braun	Jacobs	McCollar	Sarna	Wynia
Brinkman	Jaros	McEachern	Scheid	Speaker Sabo
Byrne	Jensen	Metzen	Schulz	
Carlson, L.	Johnson	Moe	Sieben, H.	

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

Friedrich moved to amend H. F. No. 1931, as follows:

Page 2, line 1, reinstate the stricken language.

Page 2, line 2, reinstate "products (4)" delete "(3)".

Page 2, line 2, reinstate "(5)" delete "(4)".

Page 2, lines 10 and 11, delete the new language.



The question was taken on the adoption of the amendment and the roll was called. There were 38 yeas and 79 nays as follows:

Those who voted in the affirmative were:

Albrecht	Fjoslien	Kempe, R.	Patton	Spanish
Biersdorf	Forsythe	Knickerbocker	Peterson	Stanton
Carlson, A.	Friedrich	Kvam	Pleasant	Stoa
Carlson, D.	Heinitz	Laidig	Redalen	Suss
Dean	Jude	Mann	Rice	Wigley
Eckstein	Kaley	McEachern	Savelkoul	Zubay
Erickson	Kalis	Niehaus	Searle	
Ewald	Kelly, R.	Onnen	Searles	

Those who voted in the negative were:

Abeln	Byrne	Jaros	Munger	Sieben, H.
Adams	Carlson, L.	Jensen	Murphy	Sieben, M.
Anderson, B.	Casserly	Johnson	Nelsen, B.	Simoneau
Anderson, D.	Corbid	Kahn	Nelsen, M.	Skoglund
Anderson, G.	Cummiskey	Kelly, W.	Nelson	Smogard
Anderson, I.	Den Ouden	King	Novak	Tomlinson
Arlandson	Eken	Kostohryz	Osthoff	Waldorf
Battaglia	Ellingson	Kroening	Pehler	Welch
Beauchamp	Enebo	Langseth	Petraieso	Wenstrom
Begich	Evans	Lehto	Prahl	Wenzel
Berg	Fugina	Lemke	Reding	White
Berglin	George	Mangan	St. Onge	Wieser
Berkelman	Gunter	McCollar	Sarna	Williamson
Birnstihl	Hanson	McDonald	Scheid	Wynia
Brandl	Hokanson	Metzen	Schulz	Speaker Sabo
Braun	Jacobs	Moe	Sherwood	

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

## MOTIONS AND RESOLUTIONS

Nelsen, B., introduced:

House Resolution No. 19, A house resolution congratulating the Staples Senior High School wrestling team on winning the state class A wrestling championship.

The resolution was referred to the Committee on Rules and Legislative Administration.

Abeln moved that the name of Simoneau be added as an author on H. F. No. 561. The motion prevailed.

Patton moved that the name of Byrne be added as an author on H. F. No. 2490. The motion prevailed.

Begich moved that the name of Nelsen, M., be added as an author on H. F. No. 1839. The motion prevailed.

Jude moved that the names of Simoneau and Metzen be added as authors on H. F. No. 2351. The motion prevailed.

Anderson, G., moved that the names of Smogard, Wenstrom, and Gunter be added as authors on H. F. No. 2477. The motion prevailed.

Wynia moved that the name of Heinitz be added as an author on H. F. No. 2194. The motion prevailed.

Kempe, A., moved that his name be stricken as an author on H. F. No. 1381. The motion prevailed.

Fugina moved that the name of Vanasek be added as an author on H. F. No. 2484. The motion prevailed.

King moved that S. F. No. 1431 be recalled from the Committee on Agriculture and together with H. F. No. 2389, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

Pursuant to Rule 1.15, Redalen moved that H. F. No. 2316 be now withdrawn from the Committee on Environment and Natural Resources, be given a second reading and be advanced to General Orders.

A roll call was requested and properly seconded.

The question was taken on the motion and the roll was called. There were 30 yeas and 88 nays as follows:

Those who voted in the affirmative were:

Albrecht	Eckstein	Kaley	Nelsen, B.	Redalen
Anderson, D.	Erickson	Kempe, R.	Nelsen, M.	Rose
Anderson, R.	Evans	Kvam	Niehaus	Savelkoul
Biersdorf	Ewald	Laidig	Onnen	Searles
Carlson, D.	Forsythe	Lemke	Peterson	Spanish
Den Ouden	Friedrich	McDonald	Pleasant	Wieser

Those who voted in the negative were:

Abeln	Brandl	Faricy	Kelly, R.	Moe
Adams	Braun	Fugina	Kelly, W.	Munger
Anderson, B.	Brinkman	George	Kempe, A.	Murphy
Anderson, G.	Byrne	Gunter	King	Neisen
Anderson, I.	Carlson, L.	Hanson	Kostohryz	Nelson
Arlandson	Casserly	Hokanson	Kroening	Norton
Battaglia	Cohen	Jacobs	Langseth	Novak
Beauchamp	Corbid	Jaros	Lehto	Osthoff
Begich	Cummiskey	Jensen	Mangan	Patton
Berg	Dean	Johnson	Mann	Pehler
Berglin	Eken	Jude	McCarron	Petrafeso
Berkelman	Ellingson	Kahn	McCollar	Reding
Birnsthil	Enebo	Kalis	Metzen	Rice

St. Onge	Sieben, H.	Stanton	Voss	Williamson
Sarna	Sieben, M.	Stoa	Waldorf	Wynia
Schulz	Simoneau	Suss	Welch	Speaker Sabo
Searle	Skoglund	Tomlinson	Wenzel	
Sherwood	Smogard	Vanasek	White	

The motion did not prevail.

Pursuant to Rule 1.15, Searles moved that H. F. No. 375 be now withdrawn from the Committee on Taxes, be given a second reading and be advanced to General Orders.

A roll call was requested and properly seconded.

The question was taken on the motion and the roll was called. There were 40 yeas and 85 nays as follows:

Those who voted in the affirmative were:

Albrecht	Den Ouden	Jensen	Nelsen, B.	Savelkoul
Anderson, D.	Erickson	Kaley	Niehaus	Searle
Anderson, R.	Evans	Kempe, R.	Onnen	Searles
Berkelman	Ewald	Knickerbocker	Peterson	Spanish
Biersdorf	Fjoslien	Kroening	Pleasant	Wieser
Carlson, A.	Forsythe	Kvam	Redalen	Wigley
Carlson, D.	Friedrich	Laidig	Reding	Williamson
Dean	Heintz	McDonald	Rose	Zubay

Those who voted in the negative were:

Abeln	Cassarly	Kahn	Munger	Sieben, H.
Adams	Cohen	Kalis	Murphy	Sieben, M.
Anderson, B.	Corbid	Kelly, R.	Nelsen, M.	Simoneau
Anderson, G.	Cummiskey	Kelly, W.	Nelson	Skoglund
Anderson, I.	Eken	Kempe, A.	Norton	Smogard
Arlandson	Ellingson	King	Novak	Stanton
Battaglia	Enebo	Kostohryz	Osthoff	Stoa
Beauchamp	Farcy	Langseth	Patton	Suss
Begich	Fugina	Lehto	Pehler	Tomlinson
Berg	George	Lemke	Petrafeso	Vanasek
Berglin	Gunter	Mangan	Prahl	Voss
Birnstihl	Hanson	Mann	Rice	Welch
Brandl	Hokanson	McCarron	St. Onge	Wenstrom
Braun	Jacobs	McCollar	Sarna	Wenzel
Brinkman	Jaros	McEachern	Scheid	White
Byrne	Johnson	Metzen	Schulz	Wynia
Carlson, L.	Jude	Moe	Sherwood	Speaker Sabo

The motion did not prevail.

#### ADJOURNMENT

Anderson, I., moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:00 p.m., Friday, March 3, 1978.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

