

STATE OF MINNESOTA
SEVENTY-FOURTH SESSION - 1985

THIRTY-FIFTH DAY

SAINT PAUL, MINNESOTA, MONDAY, APRIL 8, 1985

The House of Representatives convened at 2:00 p.m. and was called to order by David M. Jennings, Speaker of the House.

Prayer was offered by Reverend Robert Dunn, Christ United Methodist Church, Rochester, Minnesota.

The roll was called and the following members were present:

Anderson, R.	Ellingson	Kostohryz	Osthoff	Segal
Backlund	Erickson	Krueger	Otis	Shaver
Battaglia	Fjoslien	Kvam	Ozment	Sherman
Beard	Forsythe	Levi	Pappas	Simoneau
Becklin	Frederick	Lieder	Pauly	Skoglund
Begich	Frederickson	Long	Peterson	Solberg
Bennett	Frerichs	Marsh	Piepho	Sparby
Bishop	Greenfield	McDonald	Piper	Sviggum
Blatz	Gruenes	McEachern	Poppenhagen	Thiede
Boerboom	Gutknecht	McKasy	Price	Thorson
Boo	Halberg	McLaughlin	Quinn	Tjornhom
Brandl	Hartinger	McPherson	Quist	Tomlinson
Brinkman	Hartle	Metzen	Redalen	Tompkins
Brown	Haukoos	Miller	Rees	Tunheim
Burger	Heap	Minne	Rest	Uphus
Carlson, D.	Himle	Munger	Rice	Valan
Carlson, J.	Jacobs	Murphy	Richter	Valento
Carlson, L.	Jaros	Nelson, D.	Riveness	Vanasek
Clark	Jennings, L.	Nelson, K.	Rodosovich	Vellenga
Clausnitzer	Johnson	Neuenschwander	Rose	Voss
Cohen	Kahn	Norton	Sarna	Waltman
Dempsey	Kalis	Ogren	Schafer	Welle
DenOuden	Kelly	Olsen, S.	Scheid	Wenzel
Dimler	Kiffmeyer	Olson, E.	Schoenfeld	Wynia
Dyke	Knickerbocker	Omann	Schreiber	Zaffke
Elioff	Knuth	Onnen	Seaberg	Spk. Jennings, D.

A quorum was present.

O'Connor and Staten were excused.

Anderson, G., was excused until 3:50 p.m. Stanius was excused until 6:00 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. Kvam 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. 123, 545, 659, 671, 852, 887, 918, 921, 959, 1023, 1075, 1088, 1093, 1117, 1150, 1170, 1185, 1193, 1202, 1254, 1279, 1300, 1319, 18, 413, 683, 781, 968, 985, 1025, 1064, 1086, 1129, 1224, 1250, 563, 891, 1000, 1016, 1106, 1130, 1163, 1178, 1281, 645, 957, 1197, 835, 855, 876, 831, 1371 and 1370 and S. F. Nos. 77, 625, 635, 923, 374, 679 and 450 have been placed in the members' files.

S. F. No. 625 and H. F. No. 626, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Gruenes moved that S. F. No. 625 be substituted for H. F. No. 626 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 679 and H. F. No. 881, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Thorson moved that S. F. No. 679 be substituted for H. F. No. 881 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 635 and H. F. No. 586, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

McEachern moved that the rules be so far suspended that S. F. No. 635 be substituted for H. F. No. 586 and that the House File be indefinitely postponed. The motion prevailed.

REPORTS OF STANDING COMMITTEES

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

H. F. No. 56, A bill for an act relating to labor; creating an employees social responsibility act; providing penalties; proposing coding for new law in Minnesota Statutes, chapter 181.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [181.931] [CITATION.]

Sections 1 to 11 are the "employee's social responsibility act of 1985."

Sec. 2. [181.932] [DEFINITIONS.]

Subdivision 1. [GENERALLY.] For the purposes of sections 1 to 11 the terms defined in this section have the meanings given them.

Subd. 2. [EMPLOYEE.] "Employee" means a person who receives compensation, in any form, for services rendered to an employer. Employee includes a person employed by the state or any political subdivision of the state. Employee does not include an independent contractor or a person rendering services to an employer on behalf of an independent contractor. Employee includes a volunteer receiving expense reimbursement from an employer.

Subd. 3. [EMPLOYER.] "Employer" means any person having one or more employees and includes the state and any political subdivisions of the state. Employer includes an independent contractor.

Sec. 3. [181.933] [DISCLOSURE OF INFORMATION.]

Subdivision 1. [NO RETALIATION.] Employees making disclosures under this section may do so without fear of any prohibited action by an employer, as set forth under section 4.

Subd. 2. [REPORT TO PUBLIC OFFICIAL.] An employee having knowledge of a violation or suspected violation of any federal or state law, or rules and regulations adopted pursuant to law, may report or transmit all facts and information on the matter to any governmental body or law enforcement official where the violation occurred or will occur.

Subd. 3. [INVESTIGATION.] The governmental body or law enforcement official shall make any investigation it considers proper upon the receipt of a report or information under this section.

Subd. 4. [DISCLOSURE OF IDENTITY.] No public official or law enforcement official shall disclose, or cause to disclose, the identity of any employee making a report or providing information without the employee's consent unless the investigator determines that disclosure is necessary for prosecution. If the disclosure is necessary for prosecution, the employee shall be informed prior to the disclosure.

Subd. 5. [INTERMEDIARY REPORTING.] An employee may personally disclose information or make a disclosure through a third person.

Subd. 6. [FALSE DISCLOSURES.] This section does not permit an employee to make statements or disclosures knowing that they are false or that they are in reckless disregard of the truth.

Sec. 4. [181.934] [PROHIBITED ACTIONS.]

An employer shall not discharge, discipline, threaten, or otherwise discriminate against or penalize an employee regarding the employee's compensation, terms, conditions, locations, or privileges of employment because the employee, or a person acting on behalf of the employee, reports a violation under section 3, is requested by a public body or office to participate in an investigation, hearing, or inquiry involving the employee's employer, or refuses to participate in any activity which violates any law or rule. This section does not protect an employee making statements or disclosures knowing that they are false or that they are made in reckless disregard of the truth.

Sec. 5. [181.935] [CIVIL ACTION.]

Subdivision 1. [TIME LIMITATION.] An employee who alleges a violation of section 4 may bring a civil action for appropriate injunctive relief, or actual damages, or both, within six months after the date of the employer's actions violating section 4.

Subd. 2. [VENUE.] An action commenced pursuant to subdivision 1 may be brought in the district court for the county where the alleged violation occurred, or the county where the person against whom the civil complaint is filed resides or has his or her principal place of business.

Subd. 3. [BURDEN OF PROOF.] An employee has the burden of proving by clear and convincing evidence that the determinative factor in the employer's allegedly unlawful personnel action was the disclosure made under section 3.

Subd. 4. [DEFENSES.] It shall be a defense to any action brought pursuant to this section that the personnel action was predicated upon grounds other than the employee's exercise of any rights protected by section 4.

Sec. 6. [181.936] [REMEDIES.]

The district court may order reinstatement of the employee, the payment of back wages with interest, full reinstatement of fringe benefits and seniority rights, actual and compensatory damages, attorney's fees, or any combination of these remedies

for each violation of section 4. The court shall not award punitive damages.

Sec. 7. [181.937] [FALSE DISCLOSURE.]

An employee making a false disclosure under section 3 is liable for a fine of not more than \$300 and for costs of litigation including reasonable attorney's fees, incurred by the employer.

Sec. 8. [181.938] [EMPLOYEE RIGHTS.]

Subdivision 1. [EXEMPTION.] This act shall not apply if the employee reports a violation of a statute or regulation which itself contains protection from reprisal or retaliation for reporting suspected violations.

Subd. 2. [COLLECTIVE BARGAINING RIGHTS.] Sections 1 to 7 do not diminish or impair the rights of a person under any collective bargaining agreement.

Subd. 3. [CONFIDENTIAL INFORMATION.] Sections 1 to 7 do not permit disclosures which would violate federal or state law or diminish or impair the rights of any person to the continued protection of confidentiality of communications provided by common law.

Subd. 4. [WAIVER OF RIGHTS.] The institution of an action in accordance with section 5, except as provided in section 12, constitutes a waiver of the rights and remedies available under any other contract, collective bargaining agreement, law, or rule, or under the common law. An employee challenging a personnel action of the employer under a collective bargaining agreement or contractual grievance procedure does not waive other rights and remedies. However, if the employee elects judicial review of the final step decision of that grievance procedure, those other rights and remedies are waived.

Sec. 9. [181.939] [DEFAMATION ACTIONS.]

Nothing in sections 1 to 11 abridge any action for defamation or invasion of privacy.

Sec. 10. [181.940] [COMPENSATION.]

Sections 1 to 11 do not require an employer to compensate an employee for participation in any investigation, hearing, or inquiry held by a public body or public officer pursuant to section 4.

Sec. 11. [181.941] [EMPLOYEE NOTICE.]

An employer shall keep employees informed of their rights and obligations and the penalties for false disclosures under sections 1 to 11.

Sec. 12. [181.942] [PREEXISTING PRIVATE ACTIONS.]

The provisions of sections 1 to 11 are in addition to the rights and causes of action of employers and employees otherwise existing and shall not be construed to diminish, limit, or in any other way impair the existing rights or causes of action of an employee or former employee, or to abridge any action for defamation, invasion of privacy, or wrongful discharge from employment, upon whatever basis now being or later pursued, or to imply, assume, or provide that an employer had any prior right to act in a manner which is now prohibited by the express provisions of sections 1 to 11, or otherwise. This section applies only to rights or causes of action based on employer action occurring prior to the effective date of sections 1 to 11."

With the recommendation that when so amended the bill pass.

The report was adopted.

Erickson from the Committee on Education to which was referred:

H. F. No. 88, A bill for an act relating to education; removing the age limits on the apportionment of the school endowment fund; amending Minnesota Statutes 1984, section 124.09.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

FOUNDATION AID

Section 1. Minnesota Statutes 1984, section 124.09, is amended to read:

124.09 [SCHOOL ENDOWMENT FUND, APPORTIONMENT.]

The school endowment fund shall be apportioned semiannually by the state board, on the first Monday in March and October in each year, to districts whose schools have been in session at least nine months. The apportionment shall be in proportion to the number of pupils (BETWEEN THE AGES OF FIVE AND TWENTY-ONE YEARS WHO SHALL HAVE BEEN) in average daily membership during the preceding year; provided, that apportionment shall not be paid to a district for pupils for whom tuition is received by the district.

Sec. 2. Minnesota Statutes 1984, section 124.17, is amended by adding a subdivision to read:

Subd. 1a. [AFDC PUPIL UNITS.] In addition to the pupil units counted under subdivision 1, pupil units shall be counted as provided in this subdivision, beginning with the 1986-1987 school year.

Each pupil in subdivision 1 from a family 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.

Sec. 3. Minnesota Statutes 1984, section 124.17, is amended by adding a subdivision to read:

Subd. 4. [DECLINE PUPIL UNITS.] For each school district which experiences a seven percent or greater decline in the number of resident secondary pupils in average daily membership from the last year to the current year, each resident secondary pupil in average daily membership in the current year shall be weighted fifteen-hundredths of a pupil unit in addition to other weightings. No district shall receive more than \$375,000 in additional foundation revenue for any year as a result of the additional pupil weightings allowed under this subdivision.

Sec. 4. Minnesota Statutes 1984, section 124.2138, subdivision 2, is amended to read:

Subd. 2. [TRANSPORTATION LEVY EQUITY.] (1) If the transportation levy for fiscal year 1985 in any district, or for fiscal year 1986 (AND THEREAFTER) in a nonagricultural district, of 1.75 mills times the adjusted assessed valuation of the district exceeds the transportation aid computation under section 124.225, subdivisions 8b, 8i, 8j, and 8k, an amount shall be deducted as provided in this subdivision from special state aids of chapter 124 receivable for the same fiscal year, and from state payments on behalf of the district for the same fiscal year authorized in sections 354.43, subdivision 1; 354A.12, subdivision 2; and 355.46, subdivision 3, clause (b), to the extent that those special state aids and state payments have not been reduced pursuant to section 124A.037. However, aid authorized in sections 124.2137 and 124.646 shall not be reduced.

(2) The amount of the deduction shall equal the difference between:

(a) 1.75 mills times the adjusted assessed valuation of the district for the levy attributable to that fiscal year, and

(b) the sum of the district's transportation aid computation pursuant to section 124.225, subdivisions 8b, 8i, 8j, and 8k, less

the amount of any aid reduction due to an insufficient appropriation as provided in section 124.225, subdivision 8a.

However, for fiscal year 1985, the amount of the deduction shall be one-sixth of the difference between clauses (a) and (b); and for fiscal year 1986, the amount of the deduction shall be one-third of the difference between clauses (a) and (b) (; FOR FISCAL YEAR 1987, THE AMOUNT OF THE DEDUCTION SHALL BE ONE-HALF OF THE DIFFERENCE BETWEEN CLAUSES (A) AND (B); FOR FISCAL YEAR 1988, THE AMOUNT OF THE DEDUCTION SHALL BE TWO-THIRDS OF THE DIFFERENCE BETWEEN CLAUSES (A) AND (B); AND FOR FISCAL YEAR 1989, THE AMOUNT OF THE DEDUCTION SHALL BE FIVE-SIXTHS OF THE DIFFERENCE BETWEEN CLAUSES (A) AND (B)).

Sec. 5. Minnesota Statutes 1984, section 124A.02, subdivision 6, is amended to read:

Subd. 6. [BASIC FOUNDATION REVENUE.] A district's basic foundation revenue for each school year shall equal the formula allowance times its total pupil units *plus its decline pupil units* for that school year.

Sec. 6. Minnesota Statutes 1984, section 124A.02, subdivision 7, is amended to read:

Subd. 7. [BASIC MAINTENANCE MILL RATE.] "Basic maintenance mill rate" means the mill rate applicable to the adjusted assessed valuation of a district, used in the computation of basic foundation aid for a particular school year and of the basic maintenance levy for use in that school year. (THE BASIC MAINTENANCE MILL RATE SHALL BE .024 FOR THE 1982 PAYABLE 1983 LEVIES AND FOR FOUNDATION AID FOR THE 1983-1984 SCHOOL YEAR.) The basic maintenance mill rate shall be .024 for the 1983 payable 1984 levies and for foundation aid for the 1984-1985 school year. The basic maintenance mill rate shall be .0235 for the 1984 payable 1985 levies and for foundation aid for the 1985-1986 school year. *The basic maintenance mill rate for 1985 payable 1986 levies and each year thereafter, and for foundation aid for the 1986-1987 school year and each year thereafter, shall be established as provided in section 11.*

Sec. 7. Minnesota Statutes 1984, section 124A.02, subdivision 8, is amended to read:

Subd. 8. [EQUALIZING FACTOR.] "Equalizing factor" means a number equal to the minimum EARC valuation per (ACTUAL AND AFDC) total pupil unit which disqualifies a district from earning any basic foundation aid. The equalizing factor for each school year and for levies for use in that school year equals

the ratio, rounded to the nearest dollar, of the foundation aid formula allowance for that school year to the basic maintenance mill rate for that school year. (HOWEVER, THE EQUALIZING FACTOR FOR DISCRETIONARY AND REPLACEMENT AIDS FOR THE 1982-1983 SCHOOL YEAR SHALL BE \$61,-565.)

Sec. 8. Minnesota Statutes 1984, section 124A.02, subdivision 9, is amended to read:

Subd. 9. [FORMULA ALLOWANCE.] "Foundation aid formula allowance" or "formula allowance" means the amount of revenue per pupil unit used in the computation of foundation aid for a particular school year and in the computation of permissible levies for use in that school year. (THE FORMULA ALLOWANCE SHALL BE \$1,475 FOR THE 1982 PAYABLE 1983 LEVIES AND FOR FOUNDATION AID FOR THE 1983-1984 SCHOOL YEAR.) The formula allowance shall be \$1,475 for the 1983 payable 1984 levies and for foundation aid for the 1984-1985 school year. The formula allowance shall be \$1,585 for the 1984 payable 1985 levies and for foundation aid for the 1985-1986 school year. *The formula allowance shall be \$1,675 for the 1985 payable 1986 levies and for foundation aid for the 1986-1987 school year.*

Sec. 9. Minnesota Statutes 1984, section 124A.02, subdivision 16, is amended to read:

Subd. 16. [PUPIL UNITS, AFDC.] *For the 1984-1985 and 1985-1986 school years, "AFDC pupil units" means 98.5 percent of the pupil units identified in Minnesota Statutes 1980, section 124.17, subdivision 1, clauses (4) and (5) in the 1980-1981 school year.*

For the 1986-1987 school year and each year thereafter, "AFDC pupil units" means pupil units identified in section 124.17, subdivision 1a.

Sec. 10. Minnesota Statutes 1984, section 124A.02, is amended by adding a subdivision to read:

Subd. 16a. [PUPIL UNITS; DECLINE.] "*Decline pupil units" means pupil units identified in section 3.*

Sec. 11. Minnesota Statutes 1984, section 124A.03, is amended by adding a subdivision to read:

Subd. 1a. [ESTABLISHMENT OF BASIC MAINTENANCE MILL RATE.] (a) *The commissioner of revenue shall establish the basic maintenance mill rate and certify it to the commissioner of education by August 1 of each year for levies payable in the following year. The established basic maintenance mill rate*

shall be a rate, rounded up to the nearest tenth of a mill, which when applied to the adjusted assessed valuation of taxable property for each school district under section 124A.03, subdivision 1 or 3, as applicable, raises the total amount specified in this section. The amount levied by a school district to replace aids subtracted pursuant to section 124A.037 must not be included in the computation of the mill rate.

(b) The basic maintenance mill rate for the 1985 payable 1986 levies and for foundation aid for the 1986-1987 school year shall be established at a rate that raises a total of \$613,000,000. The basic maintenance mill rate computed by the commissioner of revenue must not be recomputed due to changes or corrections made in a school district's adjusted assessed valuation after the mill rate has been certified to the department of education pursuant to paragraph (a).

Sec. 12. Minnesota Statutes 1984, section 124A.03, subdivision 3, is amended to read:

Subd. 3. [BASIC MAINTENANCE LEVY; DISTRICTS OFF THE FORMULA.] In any year when the amount of the maximum levy limitation under subdivision 1 for any district, exceeds the product of the district's foundation aid formula allowance for the year in which the levy is recognized as revenue times the estimated number of total pupil units *plus decline pupil units* for that district for that school year, the levy limitation for that district under subdivision 1 shall be limited to the greater of the dollar amount of the levy the district certified in 1977 under Minnesota Statutes 1978, section 275.125, subdivision 2a, clause (1), or the following difference but not to exceed the levy limitation under subdivision 1:

(a) the (SUM OF (I) THE) product of the district's foundation aid formula allowance for the school year in which the levy is recognized as revenue, times the estimated number of total pupil units for that district for that school year, (PLUS (II) THE AMOUNT BY WHICH SPECIAL STATE AIDS OF CHAPTER 124 RECEIVABLE FOR THE SAME SCHOOL YEAR, EXCLUDING AID AUTHORIZED IN SECTIONS 124.2137 AND 124.646, ARE ESTIMATED TO BE REDUCED PURSUANT TO SECTION 124.2138, SUBDIVISION 1, PLUS)

((III) THE AMOUNT BY WHICH STATE PAYMENTS ON BEHALF OF THE DISTRICT FOR THE SAME SCHOOL YEAR AUTHORIZED IN SECTIONS 354.43, SUBDIVISION 1; 354A.12, SUBDIVISION 2; AND 355.46, SUBDIVISION 3, CLAUSE (B), ARE ESTIMATED TO BE REDUCED PURSUANT TO SECTION 124.2138, SUBDIVISION 1,) less

(b) the estimated amount of any payments which would reduce the district's foundation aid entitlement as provided in sec-

tion 124A.035, subdivision 4 in the school year in which the levy is recognized as revenue.

A levy made by a district pursuant to this subdivision shall be construed to be the levy made by that district pursuant to subdivision 1, for purposes of statutory cross-reference.

Sec. 13. Minnesota Statutes 1984, section 124A.03, subdivision 4, is amended to read:

Subd. 4. [SUMMER INSTRUCTIONAL PROGRAM LEVY.] In (1984) 1985 and each year thereafter, a district may levy for summer *instructional* programs an amount equal to the following product:

(a) The district's estimated (TOTAL) summer program *instructional* revenue allowance as defined in section 124A.033, subdivision 2, for the summer program session to be held in the calendar year after the calendar year when the levy is certified, times

(b) the lesser of

(1) one, or

(2) the ratio of

(i) the quotient derived by dividing the adjusted assessed valuation of the district in the second preceding year by the total pupil units in the district in the current regular school year, to

(ii) 50 percent of the equalizing factor for the current regular school year.

Sec. 14. Minnesota Statutes 1984, section 124A.033, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] For the purposes of computing foundation aid for summer programs and inter-session classes of flexible school year programs, the following phrases shall have the meanings given them.

(1) "Summer program pupil units" means full-time equivalent pupil units for summer programs and inter-session classes of flexible school year programs computed under the provisions of section 124.17.

(2) "Summer program instructional revenue allowance" means an amount equal to the product of the number of summer program pupil units in a district, times the foundation aid

formula allowance as defined in section 124A.02 for the preceding regular school year.

(3) ("SUMMER EDUCATIONAL IMPROVEMENT REVENUE ALLOWANCE" MEANS AN AMOUNT EQUAL TO THE PRODUCT OF 0.005, TIMES THE NUMBER OF ACTUAL PUPIL UNITS IN THE DISTRICT IN THE PRECEDING REGULAR SCHOOL YEAR, TIMES THE FOUNDATION AID FORMULA ALLOWANCE AS DEFINED IN SECTION 124A.02 FOR THE PRECEDING REGULAR SCHOOL YEAR.)

(4) "TOTAL SUMMER PROGRAM REVENUE ALLOWANCE" MEANS AN AMOUNT EQUAL TO THE SUM OF A DISTRICT'S SUMMER PROGRAM INSTRUCTIONAL REVENUE ALLOWANCE AND SUMMER EDUCATIONAL IMPROVEMENT REVENUE ALLOWANCE.)

((5)) "Summer program aid" means aid for summer programs and inter-session classes of flexible school year programs.

Sec. 15. Minnesota Statutes 1984, section 124A.033, subdivision 3, is amended to read:

Subd. 3. [SUMMER PROGRAM AID; 1985 SUMMER.] In fiscal year 1986 (AND EACH YEAR THEREAFTER), a district shall receive summer program aid equal to the difference between:

(1) the product of

(a) the ratio of the district's actual levy to its permitted levy, pursuant to section 124A.03, subdivision (3) 4, certified in (THE CALENDAR YEAR BEFORE THE SUMMER PROGRAM IS OFFERED) 1984; times

(b) the district's total summer program revenue allowance; and

(2) the levy certified by the district pursuant to section 124A.03, subdivision (3) 4, in (THE CALENDAR YEAR BEFORE THE SUMMER PROGRAM IS OFFERED) 1984.

Sec. 16. Minnesota Statutes 1984, section 124A.033, is amended by adding a subdivision to read:

Subd. 3a. [SUMMER INSTRUCTIONAL PROGRAM AID; 1986 SUMMER AND THEREAFTER.] *In fiscal year 1987 and each year thereafter, a district shall receive summer instructional program aid equal to the difference between:*

(1) the product of

(a) *the ratio of the district's actual levy to its permitted levy, pursuant to section 124A.03, subdivision 4, certified in the calendar year before the summer program is offered; times*

(b) *the district's summer instructional program revenue allowance; and*

(2) *the levy certified by the district pursuant to section 124A.03, subdivision 4, in the calendar year before the summer program is offered.*

Sec. 17. Minnesota Statutes 1984, section 124A.037, is amended to read:

124A.037 [BASIC MAINTENANCE LEVY EQUITY.]

(1) If the amount of the maximum levy limitation under section 124A.03, subdivision 1, for fiscal year 1985 for any district, or for fiscal year 1986 (OR AFTER) for a nonagricultural district exceeds the district's basic foundation revenue for the corresponding fiscal year, an amount shall be deducted as provided in this subdivision from special state aids of chapter 124 receivable for the same fiscal year, and from state payments on behalf of the district for the same fiscal year authorized in sections 354.43, subdivision 1; 354A.12, subdivision 2; and 355.46, subdivision 3, clause (b). However, the aid authorized in sections 124.2137 and 124.646 shall not be reduced.

(2) The amount of the deduction shall equal the difference between:

(a) the sum of the amount of the district's maximum levy limitation under section 124A.03, subdivision 1, plus the amount of any reductions to that levy limitation pursuant to sections 124A.03, subdivision 3, and 275.125, subdivision 9, and

(b) the district's basic foundation revenue.

However, for fiscal year 1985, the amount of the deduction shall be one-sixth of the difference between clauses (a) and (b); and for fiscal year 1986, the amount of the deduction shall be one-third of the difference between clauses (a) and (b); FOR FISCAL YEAR 1987, THE AMOUNT OF THE DEDUCTION SHALL BE ONE-HALF OF THE DIFFERENCE BETWEEN CLAUSES (A) AND (B); FOR FISCAL YEAR 1988, THE AMOUNT SHALL BE TWO-THIRDS OF THE DIFFERENCE BETWEEN CLAUSES (A) AND (B); AND FOR FISCAL YEAR 1989, THE AMOUNT OF THE DEDUCTION SHALL BE FIVE-SIXTHS OF THE DIFFERENCE BETWEEN CLAUSES (A) AND (B)).

Sec. 18. Minnesota Statutes 1984, section 124A.06, subdivision 1, is amended to read:

Subdivision 1. [COST DIFFERENTIAL TIER ALLOWANCE.] "Cost differential tier allowance" means the amount of revenue per actual pupil unit used to compute the cost differential tier aid for a school year and levy for use in the same school year. A district's cost differential tier allowance shall be the result of the following computation:

(a) Divide the amount of aid the district would have received for the 1980-1981 school year if Minnesota Statutes 1983 *Supplement*, (1979 SUPPLEMENT, SECTION 124.224, AS AMENDED BY) section 124.2124, subdivision 1, had been effective for the 1980-1981 school year by the actual pupil units in the district in the 1980-1981 school year.

(b) For the 1984-1985 school year, multiply the result in clause (a) by one. For the 1985-1986 school year and school years thereafter, multiply the result in clause (a) by two.

(c) Divide the formula allowance for the school year by \$1265.

(d) Multiply the result in clause (b) by the result in clause (c).

(e) Subtract 1.25 from the training and experience index, and multiply the difference by \$300 for the 1984-1985 school year, or \$400 for the 1985-1986 school year and thereafter.

(f) Select the greater of the result in clause (e) or zero.

(g) Add the results of clauses (d) and (f).

Sec. 19. Minnesota Statutes 1984, section 124A.06, subdivision 3a, is amended to read:

Subd. 3a. [COST DIFFERENTIAL TIER LEVY.] (IN 1983 AND EACH YEAR THEREAFTER,) A district may levy for its cost differential tier revenue an amount not to exceed the lesser of its cost differential tier revenue or the result of the following computation:

(i) Divide the adjusted assessed valuation for the year preceding the year the levy is certified, by the total pupil units for the year to which the levy is attributable.

(ii) Divide the result in clause (i) by the equalizing factor for the school year to which the levy is attributable.

(iii) Multiply the result in clause (ii) by the district's cost differential tier revenue for the school year to which the levy is attributable.

Sec. 20. Minnesota Statutes 1984, section 124A.08, subdivision 3a, is amended to read:

Subd. 3a. [SECOND TIER LEVY.] (IN 1983 AND EACH YEAR THEREAFTER,) A district may levy for its second tier revenue an amount not to exceed the lesser of its second tier revenue or the result of the following computation:

(i) Divide the adjusted assessed valuation for the year preceding the year the levy is certified, by the total pupil units for the year to which the levy is attributable.

(ii) Divide the result in clause (i) by the equalizing factor for the school year to which the levy is attributable.

(iii) Multiply the result in clause (ii) by the district's second tier revenue for the school year to which the levy is attributable.

Sec. 21. Minnesota Statutes 1984, section 124A.08, subdivision 5, is amended to read:

Subd. 5. [SECOND TIER LEVY FUND BALANCE.] (BEGINNING WITH THE 1983 PAYABLE 1984 LEVY,) For a district where the net unappropriated operating fund balance as of the June 30 before the levy is certified exceeds \$500 per total pupil unit in the year when the levy is certified, the second tier levy shall be reduced by the amount of the excess times the lesser of (a) one, or (b) the ratio of the district's EARC valuation for the preceding year per total pupil unit in the school year for which the levy is attributable, to the equalizing factor. (BEGINNING WITH THE 1984-1985 SCHOOL YEAR,) The second tier aid for the year when that levy is used shall be reduced by any amount of the excess which is not subtracted from the levy.

Sec. 22. Minnesota Statutes 1984, section 124A.10, subdivision 3a, is amended to read:

Subd. 3a. [THIRD TIER LEVY.] (IN 1983 AND EACH YEAR THEREAFTER,) A district may levy for its third tier revenue an amount not to exceed the lesser of its third tier revenue or the result of the following computation:

(i) Divide the adjusted assessed valuation for the year preceding the year the levy is certified, by the total pupil units for the year to which the levy is attributable.

(ii) Divide the result in clause (i) by 75 percent of the equalizing factor for the school year to which the levy is attributable.

(iii) Multiply the result in clause (ii) by the district's third tier revenue for the school year to which the levy is attributable.

Sec. 23. Minnesota Statutes 1984, section 124A.12, subdivision 3a, is amended to read:

Subd. 3a. [FOURTH TIER LEVY.] (IN 1983 AND EACH YEAR THEREAFTER,) A district may levy for its fourth tier revenue an amount not to exceed the lesser of its fourth tier revenue or the result of the following computation:

(i) Divide the adjusted assessed valuation for the year preceding the year the levy is certified, by the total pupil units for the year to which the levy is attributable.

(ii) Divide the result in clause (i) by 50 percent of the equalizing factor for the school year to which the levy is attributable.

(iii) Multiply the result in clause (ii) by the fourth tier revenue for the school year to which the levy is attributable.

Sec. 24. Minnesota Statutes 1984, section 124A.14, subdivision 5a, is amended to read:

Subd. 5a. [FIFTH TIER LEVY.] (IN 1983 AND EACH YEAR THEREAFTER,) A district may levy for its fifth tier revenue an amount not to exceed the lesser of its fifth tier revenue or the result of the following computation:

(i) Divide the adjusted assessed valuation for the year preceding the year the levy is certified, by the total pupil units for the year to which the levy is attributable.

(ii) Divide the result in clause (i) by 50 percent of the equalizing factor for the school year to which the levy is attributable.

(iii) Multiply the result in clause (ii) by the fifth tier revenue for the school year to which the levy is attributable.

Sec. 25. Minnesota Statutes 1984, section 124A.16, subdivision 2, is amended to read:

Subd. 2. [TOTAL REVENUE PER ACTUAL PUPIL UNIT.] The total revenue per actual pupil unit permitted from the tiers specified in sections 124A.06, 124A.08, 124A.10, 124A.12, and 124A.14 shall equal the sum of the previous formula amount plus the greater of:

(a) the minimum increase; or

(b) 25 percent of the difference between the total tier allowance and the previous formula amount in the 1984-1985 school

year, 50 percent of the difference in the 1985-1986 school year, (75) 87.5 percent of the difference in the 1986-1987 school year, or 100 percent of the difference in the 1987-1988 school year and subsequent school years.

Sec. 26. Minnesota Statutes 1984, section 124A.16, subdivision 4, is amended to read:

Subd. 4. [UNIT REVENUE BEFORE REDUCTION.] The permitted total revenue per actual pupil unit specified in subdivision 2 shall be determined prior to the reduction according to section (124A.03, SUBDIVISION 3) 124A.08, subdivision 5.

Sec. 27. Minnesota Statutes 1984, section 126.64, subdivision 2, is amended to read:

Subd. 2. [DISTRICT OF ATTENDANCE.] The district receiving a pupil selected to participate in the program of excellence program shall count the pupil as a resident pupil unit as defined in section 124.17 for purpose of determining aids and levies. *The district of residence shall not count such a pupil as a resident pupil unit while the pupil attends school in another district.*

Sec. 28. Minnesota Statutes 1984, section 275.125, is amended by adding a subdivision to read:

Subd. 6f. [LEVY FOR AFDC CONCENTRATION.] *Each year a district where the number of pupils from families receiving aid to families with dependent children or its successor program equals six percent or more of the total actual pupil units in the district may make a levy under the provisions of this subdivision. The amount of the levy shall not exceed the following computation:*

(a) *compute the number of pupils from families receiving aid to families with dependent children or its successor program enrolled in the school district on October 1 in the school year to which the levy is attributable as a percent of actual pupil units in the district determined according to section 124.17, subdivision 1, for that same year. The district shall round this computation down to the nearest whole percent.*

(b) *multiply each pupil from a family receiving aid to families with dependent children by an amount equal to one-tenth for each percent over five computed in paragraph (a), but not to exceed six-tenths for each pupil.*

(c) *multiply the result in paragraph (b) by the foundation aid formula allowance for the school year to which the levy is attributable.*

Sec. 29. [REDUCTIONS FOR REVENUE EQUITY.]

Pursuant to Minnesota Statutes, sections 124.2138 and 124A.037, aid payments shall be reduced in fiscal year 1986 by approximately \$4,222,600.

Sec. 30. [LEVY ADJUSTMENT.]

The commissioner shall adjust the 1984 payable 1985 levy limitations for school districts as a result of the provisions of section 3 of this article. The adjustment shall be a positive or negative amount equal to the difference between the amount the district levied in 1984 and the amount the district would have certified for the 1984 levies if the provision in section 3 of this article had been in effect at the time the 1984 payable 1985 levy was made. The adjustment shall be added to or subtracted from the district's levy limitation for 1985 taxes payable in 1986.

Sec. 31. [APPROPRIATION.]

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

Subd. 2. [FOUNDATION AID.] For foundation aid there is appropriated:

\$706,090,300 1986,

\$875,506,000 1987.

The appropriation for 1986 includes \$81,869,500 for aid for fiscal year 1985 payable in fiscal year 1986, and \$624,220,800 for aid for fiscal year 1986 payable in fiscal year 1986.

The appropriation for 1987 includes \$105,419,300 for aid for fiscal year 1986 payable in fiscal year 1987, and \$770,086,700 for aid for fiscal year 1987 payable in fiscal year 1987.

Subd. 3. [SUMMER PROGRAMS.] For summer program aid pursuant to section 124A.033, subdivision 3, and for summer instructional program aid pursuant to section 124A.033, subdivision 3a, there is appropriated:

\$7,878,600 1986,

\$3,028,900 1987.

The appropriation for fiscal year 1986 is for aid for programs in summer 1985. The appropriation for fiscal year 1987 is for aid for programs in summer 1986.

Subd. 4. [CANCELLATION.] Any unexpended balance remaining from the appropriations in this section for 1986 shall cancel and shall not be available for the second year of the biennium. None of the amounts appropriated in this section shall be expended for a purpose other than the purpose indicated.

Sec. 32. [REPEALER.]

Subdivision 1. [JULY 1, 1985.] Minnesota Statutes 1984, section 124.201, subdivisions 3, 4 and 5; 126.64, subdivision 1; section 124A.03, subdivision 5; section 124A.035, subdivision 6; and section 275.125, subdivision 2j, are repealed.

Subd. 2. [JUNE 30, 1986.] Minnesota Statutes 1984, sections 124.2138, subdivision 2; and 124A.037 are repealed.

Sec. 33. [EFFECTIVE DATE.]

Section 32, subdivision 2, is effective June 30, 1986.

ARTICLE 2

TRANSPORTATION AID

Section 1. Minnesota Statutes 1984, section 124.223, is amended to read:

124.223 [TRANSPORTATION AID AUTHORIZATION.]

School transportation and related services for which state transportation aid is authorized are:

(1) [TO AND FROM SCHOOL; BETWEEN SCHOOLS.] Transportation or board of resident elementary pupils who reside one mile or more from the public schools which they could attend; transportation or board of resident secondary pupils who reside two miles or more from the public schools which they could attend; transportation to, from, or between the schools the resident pupils attend pursuant to a program approved by the commissioner of education; transportation of resident elementary pupils who reside one mile or more from a nonpublic school actually attended; transportation of resident secondary pupils who reside two miles or more from a nonpublic school actually attended; but with respect to transportation of pupils to nonpublic schools actually attended, only to the extent permitted by sections 123.76 to 123.79;

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

(3) [SECONDARY VOCATIONAL CENTERS.] Transportation to and from a state board approved secondary vocational center for secondary vocational classes for resident pupils of any of the districts who are members of or participating in programs at that center;

(4) [HANDICAPPED.] Transportation or board and lodging of a handicapped pupil when that pupil cannot be transported on a regular school bus, the conveying of handicapped pupils between home and school and within the school plant, necessary transportation of handicapped pupils from home or from school to other buildings, including hospitals and treatment centers where special instruction or services required by section 120.17 are provided, within or outside the district where services are provided, and necessary transportation for resident handicapped pupils required by section 120.17, subdivision 4a. Transportation of handicapped pupils between home and school shall not be subject to the requirement in clause (1) that elementary pupils reside at least one mile from school and secondary pupils reside at least two miles from school in order for the transportation to qualify for aid;

(5) [BOARD AND LODGING; NONRESIDENT HANDICAPPED.] When necessary, board and lodging for nonresident handicapped pupils in a district maintaining special classes;

(6) [SHARED TIME.] Transportation from one educational facility to another within the district for resident pupils enrolled on a shared time basis in educational programs approved by the commissioner of education, and necessary transportation required by section 120.17, subdivision 9 for resident handicapped pupils who are provided special instruction and services on a shared time basis;

(7) [FARIBAULT STATE SCHOOLS.] Transportation for residents to and from the Minnesota school for the deaf or the Minnesota braille and sight-saving school;

(8) [SUMMER SCHOOL.] Services described in clauses (1) to (7) and clauses (9) and (10) when provided in conjunction with a (STATE BOARD APPROVED) summer (SCHOOL) program *eligible for aid and levy under sections 124A.03 and 124A.033*;

(9) [COOPERATIVE ACADEMIC AND VOCATIONAL.] Transportation to, from or between educational facilities located in any of two or more school districts jointly offering academic classes approved by the commissioner or secondary vocational classes not provided at a secondary vocational center which are approved by the commissioner for resident pupils of any of these districts; and

(10) [NONPUBLIC SUPPORT SERVICES.] Necessary transportation within district boundaries between a nonpublic school and a public school or a neutral site for nonpublic school pupils who are provided pupil support services pursuant to section 123.935.

Sec. 2. Minnesota Statutes 1984, section 124.225, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For purposes of this section, the terms defined in this subdivision have the meanings given to them.

(a) "FTE" means a transported full time equivalent pupil whose transportation is authorized for aid purposes by section 124.223.

(b) "Authorized cost for regular transportation" means the sum of:

(1) all expenditures for transportation in the regular category, as defined in clause (e) (1), for which aid is authorized in section 124.223, plus

(2) an amount equal to one year's depreciation on the district's school bus fleet and mobile units computed on a straight line basis at the rate of 12-1/2 percent per year of the cost of the fleet, plus

(3) an amount equal to one year's depreciation on district school buses reconditioned by the department of corrections computed on a straight line basis at the rate of 33-1/3 percent per year of the cost to the district of the reconditioning, plus

(4) (BEGINNING IN FISCAL YEAR 1984,) an amount equal to one year's depreciation on the district's type three school buses, as defined in section 169.44, subdivision 15, which were purchased after July 1, 1982 for authorized transportation of pupils, with the prior approval of the commissioner, computed on a straight line basis at the rate of 20 percent per year of the cost of the type three school buses.

(c) "Adjusted authorized predicted cost per FTE" means the authorized cost predicted by a multiple regression formula

determined by the department of education, and adjusted pursuant to subdivision 7a.

(d) "Aid entitlement per FTE" means the adjusted authorized predicted cost per FTE, inflated pursuant to subdivision 7b.

(e) "Transportation category" means a category of transportation service provided to pupils. *For the 1984-1985 and 1985-1986 school years*, each category includes transportation provided during the regular school year and in conjunction with a (STATE BOARD APPROVED) summer (SCHOOL) program *eligible for aid and levy under sections 124A.03 and 124A.033*. For purposes of this section, transportation categories *for the 1984-1985 and 1985-1986 school years* are as follows:

(1) Regular transportation is transportation services provided under section 124.223, clauses (1) and (2), excluding transportation between schools under section 124.223, clause (1);

(2) (DURING DAY TRANSPORTATION IS TRANSPORTATION SERVICES BETWEEN SCHOOLS PROVIDED UNDER SECTION 124.223, CLAUSE (1), AND TRANSPORTATION SERVICES PROVIDED UNDER SECTION 124.223, CLAUSES (3) AND (9), AND TRANSPORTATION SERVICES PROVIDED UNDER SECTION 124.223, CLAUSE (6), EXCLUDING TRANSPORTATION PROVIDED FOR PUPILS ATTENDING SHARED TIME SPECIAL EDUCATION CLASSES;)

((3) HANDICAPPED TRANSPORTATION IS TRANSPORTATION SERVICES FOR PUPILS ATTENDING SHARED TIME SPECIAL EDUCATION CLASSES PROVIDED UNDER SECTION 124.223, CLAUSE (6), AND TRANSPORTATION SERVICES PROVIDED UNDER SECTION 124.223, CLAUSE (4), EXCLUDING BOARD AND LODGING AND EXCLUDING TRANSPORTATION TO AND FROM BOARD AND LODGING FACILITIES;)

((4) BOARD AND LODGING IS SERVICES PROVIDED, IN LIEU OF TRANSPORTATION, UNDER SECTION 124.223, CLAUSES (4) AND (5);)

((5) TO AND FROM BOARD AND LODGING FACILITY TRANSPORTATION IS TRANSPORTATION SERVICES TO AND FROM BOARD AND LODGING FACILITIES PROVIDED UNDER SECTION 124.223, CLAUSES (4) AND (7);)

((6) NONPUBLIC HEALTH, GUIDANCE AND COUNSELING TRANSPORTATION IS TRANSPORTATION SERVICES PROVIDED UNDER SECTION 124.223, CLAUSE (10);)

((7)) Nonregular transportation is transportation services provided between schools under section 124.223, clause (1); and transportation services provided under section 124.223, clauses (3), (4), (5), (6), (7), (9), and (10).

For the purposes of this section, transportation categories for the 1986-1987 school year and thereafter are as follows:

(1) *Regular transportation is transportation services provided during the regular school year under section 124.223, clauses (1) and (2), excluding transportation between schools under section 124.223, clause (1);*

(2) *Nonregular transportation is transportation services provided between schools under section 124.223, clause (1); and transportation services provided under section 124.223, clauses (3), (4), (5), (6), (7), (8), (9), and (10).*

(f) "Pupil weighting factor" means the ratio of the actual district average cost per FTE in a particular transportation category in the base year to the actual district average cost per FTE in the regular transportation category in the base year.

(g) "Weighted FTE's" means the number of FTE's in each transportation category multiplied by the pupil weighting factor for that category.

(h) "Mobile unit" means a vehicle or trailer designed to provide facilities for educational programs and services, including diagnostic testing, guidance and counseling services and health services. A mobile unit located off nonpublic school premises is a neutral site as defined in section 123.932, subdivision 9.

((i)) "PERCENT EXCESS HANDICAPPED FTE'S TRANSPORTED" MEANS THE RESULT OF THE FOLLOWING COMPUTATION FOR THE CURRENT YEAR:)

(ONE, MINUS THE PRODUCT OF)

((1)) THE RATIO OF THE NUMBER OF FTE PUPILS TRANSPORTED IN THE HANDICAPPED CATEGORY IN THE STATE TO THE NUMBER OF FTE PUPILS TRANSPORTED IN THE HANDICAPPED CATEGORY IN THE DISTRICT; TIMES)

((2)) THE RATIO OF THE NUMBER OF FTE PUPILS TRANSPORTED IN THE REGULAR CATEGORY IN THE DISTRICT TO THE NUMBER OF FTE PUPILS TRANSPORTED IN THE REGULAR CATEGORY IN THE STATE.)

((J)) (i) "Current year" means the school year for which aid will be paid.

((K)) (j) "Base year" means the second school year preceding the school year for which aid will be paid.

((L)) (k) "Base cost" means the authorized regular transportation cost per FTE in the base year in the regular transportation category, excluding summer school transportation.

((M)) (l) "Predicted base cost" means the base cost as predicted by subdivision 3.

Sec. 3. Minnesota Statutes 1984, section 124.225, subdivision 3, is amended to read:

Subd. 3. [FORMULA.] For each school year, the state shall pay to each school district for all pupil transportation and related services for which the district is authorized by law to receive state aid an amount determined according to this section. The department of education shall conduct multiple regression analysis (USING THE TERMS SPECIFIED IN SUBDIVISION 4A FOR THE 1982-1983 AND 1983-1984 SCHOOL YEARS, AND) using the terms specified in subdivision 4b for (THE 1984-1985 SCHOOL YEAR AND) each school year (THEREAFTER) to predict the base cost for each district. Each year a formula shall be derived based upon the regression analysis, (BUT EXCLUDING THE FACTOR DESCRIBED IN SUBDIVISION 4A, CLAUSE (9), IN THE FORMULA FOR THE 1983-1984 SCHOOL YEAR. EACH YEAR THE FORMULA) and shall be used to determine a predicted base cost for each district. The amount determined for each district shall be adjusted according to the provisions of subdivisions 7a and 7b.

Sec. 4. Minnesota Statutes 1984, section 124.225, subdivision 4b, is amended to read:

Subd. 4b. [FORMULA TERMS, 1984-1985 AND AFTER.] To predict the logarithm of the base cost for each district pursuant to subdivision 3 for (THE 1984-1985 SCHOOL YEAR AND) each school year (THEREAFTER), the multiple regression formula shall use the following terms for each district:

(1) The logarithm of the lesser of (a) the number of authorized FTE's per square mile transported by the district in the regular transportation category, or (b) 200;

(2) Whether the district is nonrural, based upon criteria established by the department of education; and

(3) The logarithm of the percentage of all FTE's transported in the regular category using buses that are not owned by the district.

Sec. 5. Minnesota Statutes 1984, section 124.225, subdivision 7a, is amended to read:

Subd. 7a. [BASE YEAR SOFTENING FORMULA.] ((1) FOR FISCAL YEAR 1983, EACH DISTRICT'S PREDICTED BASE COST DETERMINED ACCORDING TO SUBDIVISION 3 SHALL BE ADJUSTED AS PROVIDED IN THIS CLAUSE TO DETERMINE ADJUSTED AUTHORIZED PREDICTED COST PER FTE FOR THE BASE SCHOOL YEAR.)

((A) IF THE PREDICTED BASE COST EXCEEDS THE BASE COST, THE PREDICTED BASE COST SHALL BE DECREASED BY 50 PERCENT OF THE FIRST \$40 OF DIFFERENCE BETWEEN THE BASE COST AND THE PREDICTED BASE COST; 70 PERCENT OF THE NEXT \$40 OF DIFFERENCE; AND 90 PERCENT OF ANY DIFFERENCE WHICH EXCEEDS \$80, TO DETERMINE THE ADJUSTED AUTHORIZED PREDICTED COST PER FTE.)

((B) IF THE PREDICTED BASE COST IS LESS THAN THE BASE COST, THE PREDICTED BASE COST SHALL BE INCREASED BY 50 PERCENT OF THE FIRST \$40 OF DIFFERENCE BETWEEN THE BASE COST AND THE PREDICTED BASE COST; 70 PERCENT OF THE NEXT \$40 OF DIFFERENCE; AND 90 PERCENT OF ANY DIFFERENCE WHICH EXCEEDS \$80, TO DETERMINE THE ADJUSTED AUTHORIZED PREDICTED COST PER FTE.)

((2) FOR FISCAL YEAR 1984 AND EACH YEAR THEREAFTER,) Each district's predicted base cost determined for each school year according to subdivision 3 shall be adjusted as provided in this clause to determine the district's adjusted authorized predicted cost per FTE for that year.

(a) If the base cost of the district is within five percent of the predicted base cost, the district's adjusted authorized predicted cost per FTE shall be equal to the base cost.

(b) If the base cost of the district is more than five percent greater than the predicted base cost, the district's adjusted authorized predicted cost per FTE shall be equal to 105 percent of the predicted base cost, plus 40 percent of the difference between (i) the base cost, and (ii) 105 percent of the predicted base cost. However, in no case shall a district's adjusted authorized predicted cost per FTE be less than 80 percent of base cost.

(c) If the base cost of the district is more than five percent less than the predicted base cost, the district's adjusted authorized predicted cost per FTE shall be equal to 95 percent of the predicted base cost, minus 40 percent of the difference between (i) 95 percent of predicted base cost, and (ii) the base cost. However, in no case shall a district's adjusted authorized predicted cost per FTE be more than 120 percent of base cost.

Sec. 6. Minnesota Statutes 1984, section 124.225, subdivision 7b, is amended to read:

Subd. 7b. [INFLATION FACTORS.] The adjusted authorized predicted cost per FTE determined for a district under subdivision 7a for the base year shall be increased by (22 PERCENT TO DETERMINE THE DISTRICT'S AID ENTITLEMENT PER FTE FOR THE 1982-1983 SCHOOL YEAR, BY 11.7 PERCENT TO DETERMINE THE DISTRICT'S AID ENTITLEMENT PER FTE FOR THE 1983-1984 SCHOOL YEAR, AND BY) 10.3 percent to determine the district's aid entitlement per FTE for the 1984-1985 school year, *by 8.8 percent to determine the district's aid entitlement per FTE for the 1985-1986 school year, and by 6.9 percent to determine the district's aid entitlement per FTE for the 1986-1987 school year.*

Sec. 7. Minnesota Statutes 1984, section 124.225, subdivision 8a, is amended to read:

Subd. 8a. [AID.] (FOR THE 1982-1983 AND 1983-1984 SCHOOL YEARS, A DISTRICT'S TRANSPORTATION AID SHALL BE EQUAL TO THE SUM OF ITS BASIC TRANSPORTATION AID PURSUANT TO SUBDIVISION 8B, ITS EXCESS HANDICAPPED TRANSPORTATION AID PURSUANT TO SUBDIVISION 8C, ITS HANDICAPPED BOARD AND LODGING AID PURSUANT TO SUBDIVISION 8D, ITS TO AND FROM BOARD AND LODGING AID PURSUANT TO SUBDIVISION 8E, ITS NONPUBLIC SUPPORT SERVICES TRANSPORTATION AID PURSUANT TO SUBDIVISION 8F, ITS DURING DAY TRANSPORTATION AID PURSUANT TO SUBDIVISION 8G, AND ITS CLOSED SCHOOL TRANSPORTATION AID PURSUANT TO SUBDIVISION 8H, MINUS THE AMOUNT RAISED BY TWO MILLS TIMES THE ADJUSTED ASSESSED VALUATION WHICH IS USED TO COMPUTE THE TRANSPORTATION LEVY LIMITATION FOR THE LEVY ATTRIBUTABLE TO THAT SCHOOL YEAR. FOR THE 1983-1984 SCHOOL YEAR TRANSPORTATION AID FOR A DISTRICT WHICH CONTRACTED FOR PUPIL TRANSPORTATION SERVICES IN THE 1981-1982 SCHOOL YEAR SHALL BE REDUCED BY AN AMOUNT EQUAL TO \$18 TIMES THE NUMBER OF FTE PUPILS TRANSPORTED ON CONTRACTED SCHOOL BUSES IN THE BASE YEAR IN THE REGULAR TRANSPORTATION CATEGORY. A DISTRICT MAY LEVY LESS THAN THE AMOUNT RAISED BY TWO MILLS. TRANSPORTATION AID SHALL BE COMPUTED AS IF THE DISTRICT HAD LEVIED THE AMOUNT RAISED BY TWO MILLS. AID FOR THE 1982-1983 AND 1983-1984 SCHOOL YEARS SHALL ALSO BE REDUCED BY THE FOLLOWING AMOUNT: THE PRODUCT OF)

((A) THE NUMBER OF NONHANDICAPPED SECONDARY PUPILS TRANSPORTED IN THE BASE YEAR WHO

LIVE BETWEEN ONE AND TWO MILES FROM THE PUBLIC SCHOOL WHICH THEY COULD ATTEND OR THE NONPUBLIC SCHOOL ACTUALLY ATTENDED, TIMES)

((B) 1.5, DIVIDED BY THE AVERAGE DISTANCE TO SCHOOL FOR ALL FTE'S TRANSPORTED IN THE DISTRICT IN THE REGULAR TRANSPORTATION CATEGORY IN THE BASE YEAR, TIMES)

((C) THE DISTRICT'S AID ENTITLEMENT PER FTE DETERMINED ACCORDING TO SUBDIVISION 7B, TIMES THE RATIO OF AVERAGE DAILY MEMBERSHIP USED IN SUBDIVISION 8B.)

For (THE 1984-1985) *each* school year (AND THEREAFTER,) a district's transportation aid shall be equal to the sum of its basic transportation aid pursuant to subdivision 8b, its nonregular transportation aid pursuant to subdivision 8i, and its nonregular transportation levy equalization aid pursuant to subdivision 8j, minus its contracted services and reduction pursuant to subdivision 8k, minus the amount raised by 1.75 mills times the adjusted assessed valuation which is used to compute the transportation levy limitation for the levy attributable to that school year. A district may levy less than the amount raised by 1.75 mills. Transportation aid shall be computed as if the district had levied the amount raised by 1.75 mills.

If the total appropriation for transportation aid for any fiscal year is insufficient to pay all districts the full amount of aid earned, the department of education shall reduce each district's aid in proportion to the number of resident pupils in average daily membership in the district to the state total average daily membership, and shall reduce the aid entitlement of off-formula districts in the same proportion.

Sec. 8. Minnesota Statutes 1984, section 124.225, subdivision 8b, is amended to read:

Subd. 8b. [BASIC AID COMPUTATION.] (FOR THE 1982-1983 AND 1983-1984 SCHOOL YEARS, A DISTRICT'S BASIC TRANSPORTATION AID PURSUANT TO THIS SECTION FOR THE SCHOOL YEAR SHALL EQUAL THE DISTRICT'S AID ENTITLEMENT PER FTE DETERMINED ACCORDING TO SUBDIVISION 7B TIMES THE TOTAL NUMBER OF AUTHORIZED WEIGHTED FTE'S TRANSPORTED IN THE REGULAR AND HANDICAPPED TRANSPORTATION CATEGORIES IN THE DISTRICT IN THE BASE YEAR TIMES THE RATIO OF AVERAGE DAILY MEMBERSHIP IN THE DISTRICT IN THE CURRENT YEAR TO THE AVERAGE DAILY MEMBERSHIP IN THE DISTRICT IN THE BASE YEAR.)

(FOR THE 1984-1985 SCHOOL YEAR AND THEREAFTER,) A district's basic transportation aid pursuant to this section for each school year shall equal the district's aid entitlement per FTE determined according to subdivision 7b, times the total number of authorized FTE's transported in the regular category in the district in the current school year.

Sec. 9. Minnesota Statutes 1984, section 124.225, subdivision 10, is amended to read:

Subd. 10. [DEPRECIATION.] Any school district which owns school buses or mobile units shall transfer annually from the unappropriated fund balance account in its transportation fund to the appropriated fund balance account for bus purchases in its transportation fund at least an amount equal to 12-1/2 percent of the original cost of each type one or type two bus or mobile unit until the original cost of each type one or type two bus or mobile unit is fully amortized, plus 20 percent of the original cost of each type three bus included in the district's authorized cost under the provisions of subdivision 1, clause (b)(4), until the original cost of each type three bus is fully amortized, plus 33-1/3 percent of the cost to the district as of July 1 of each year for school bus reconditioning done by the department of corrections until the cost of the reconditioning is fully amortized; provided, if the district's transportation aid is reduced pursuant to subdivision 8a because the appropriation for that year is insufficient, this amount shall be reduced in proportion to the reduction pursuant to subdivision 8a as a percentage of the sum of

(1) the district's total transportation aid without the reduction pursuant to subdivision 8a, plus

(2) for *each fiscal year* (YEARS 1983 AND 1984,) an amount equal to (TWO MILLS TIMES THE ADJUSTED ASSESSED VALUATION WHICH IS USED TO COMPUTE THE LEVY LIMITATION FOR THE LEVY ATTRIBUTABLE TO THAT YEAR, OR FOR FISCAL YEAR 1985 AND THEREAFTER) 1.75 mills times the adjusted assessed valuation of the district for the preceding year. (ANY SCHOOL DISTRICT MAY TRANSFER ANY AMOUNT FROM THE UNAPPROPRIATED FUND BALANCE ACCOUNT IN ITS TRANSPORTATION FUND TO ANY OTHER OPERATING FUND OR TO THE APPROPRIATED FUND BALANCE ACCOUNT FOR BUS PURCHASES IN ITS TRANSPORTATION FUND.)

Sec. 10. Minnesota Statutes 1984, section 275.125, subdivision 5b, is amended to read:

Subd. 5b. [TRANSPORTATION LEVY OFF-FORMULA ADJUSTMENT.] (IN FISCAL YEARS 1983 AND 1984 IF THE TRANSPORTATION LEVY IN A DISTRICT ATTRIBUTABLE TO EACH FISCAL YEAR OF TWO MILLS TIMES

THE ADJUSTED ASSESSED VALUATION OF THE DISTRICT EXCEEDS THE TRANSPORTATION AID COMPUTATION UNDER SECTION 124.225, SUBDIVISIONS 8B, 8C, 8D, 8E, 8F, 8G, AND 8H, THE DISTRICT'S TRANSPORTATION LEVY LIMITATION SHALL BE ADJUSTED AS PROVIDED IN THIS SUBDIVISION. IN THE YEAR FOLLOWING EACH OF THOSE FISCAL YEARS, THE DISTRICT'S TRANSPORTATION LEVY SHALL BE REDUCED BY AN AMOUNT EQUAL TO THE DIFFERENCE BETWEEN (1) TWO MILLS TIMES THE ADJUSTED ASSESSED VALUATION OF THE DISTRICT, AND (2) THE SUM OF THE DISTRICT'S TRANSPORTATION AID COMPUTATION PURSUANT TO SECTION 124.225, SUBDIVISIONS 8B, 8C, 8D, 8E, 8F, 8G, AND 8H, LESS THE AMOUNT OF ANY AID REDUCTION DUE TO AN INSUFFICIENT APPROPRIATION AS PROVIDED IN SECTION 124.225, SUBDIVISION 8A.)

In fiscal year 1985 and each fiscal year thereafter, if the basic transportation levy in a district attributable to a particular fiscal year of 1.75 mills times the adjusted assessed valuation of the district exceeds the transportation aid computation under section 124.225, subdivisions 8b, 8i, 8j, and 8k, the district's levy limitation shall be adjusted as provided in this subdivision. In the year following each fiscal year, the district's transportation levy shall be reduced by an amount equal to the difference between (1) 1.75 mills times the adjusted assessed valuation of the district, and (2) the sum of the district's transportation aid computation pursuant to section 124.225, subdivisions 8b, 8i, 8j, and 8k, and the amount of any subtraction made from special state aids pursuant to section 124.2138, subdivision 2, less the amount of any aid reduction due to an insufficient appropriation as provided in section 124.225, subdivision 8a.

(FOR THE LEVIES CERTIFIED IN 1983 AND 1984, THE FOLLOWING ADDITIONAL AMOUNT SHALL BE SUBTRACTED:)

(THE PRODUCT OF)

((A) THE NUMBER OF NONHANDICAPPED SECONDARY PUPILS TRANSPORTED IN THE BASE YEAR WHO LIVE BETWEEN ONE AND TWO MILES FROM THE PUBLIC SCHOOL WHICH THEY COULD ATTEND OR THE NONPUBLIC SCHOOL ACTUALLY ATTENDED, TIMES)

((B) 1.5, DIVIDED BY THE AVERAGE DISTANCE TO SCHOOL FOR ALL FTE'S TRANSPORTED IN THE DISTRICT IN THE REGULAR TRANSPORTATION CATEGORY IN THE BASE YEAR, TIMES)

((C) THE DISTRICT'S AID ENTITLEMENT PER FTE DETERMINED ACCORDING TO SECTION 124.225, SUBDI-

VISION 7B, TIMES THE RATIO OF AVERAGE DAILY MEMBERSHIP IN THE DISTRICT IN THE CURRENT YEAR TO AVERAGE DAILY MEMBERSHIP IN THE DISTRICT IN THE BASE YEAR.)

Sec. 11. Minnesota Statutes 1984, section 275.125, subdivision 5d, is amended to read:

Subd. 5d. [EXCESS TRANSPORTATION LEVY.] A school district may also make an excess transportation levy pursuant to this clause, which shall be the sum of:

(a) the district's actual cost in the school year after the year in which the excess transportation levy is certified for transportation to and from school of secondary pupils who live more than one mile but less than two miles from the public school which they could attend or from a nonpublic school actually attended, plus

(b) the district's actual cost in the school year after the year in which the excess transportation levy is certified for transportation costs or other related services which are necessary because of extraordinary traffic hazards, *excluding the costs in paragraph (a); plus*

(c) the amount necessary to eliminate any projected deficit in the appropriated fund balance account for bus purchases in its transportation fund as of June 30 in the school year beginning in the calendar year following the calendar year the levy is certified; plus

(d) an amount equal to the aid subtraction computed pursuant to section 124.225, subdivision 8k, for the school year beginning in the year the levy is certified; except that for the 1983 payable 1984 levy, this amount shall be based upon the aid subtraction for the 1984-1985 school year. These amounts shall be placed in the transportation fund and used for any lawful purpose (.) ; *plus*

(e) *an amount equal to the lesser of*

(1) *the difference for the school year beginning in the year in which the levy is certified between (A) the district's actual cost of transporting nonpublic pupils to and from school under section 124.223, clause (1), and (B) the product of the number of full time equivalent nonpublic pupils transported in the regular category in the district, times the district's aid entitlement per FTE determined according to section 124.225, subdivision 7b; or*

(2) *the difference for the school year beginning in the year in which the levy is certified between (A) the district's actual cost of transporting public and nonpublic pupils to and from*

school under section 124.223, clause (1), and (B) the product of the number of FTE public and nonpublic pupils transported in the regular category in the district, times the district's aid entitlement per FTE pupil transported determined according to section 124.225, subdivision 7b:

(f) an amount equal to the lesser of:

(1) the difference for the school year beginning in the year in which the levy is certified between (A) the district's actual cost of transporting pupils to and from school under section 124.223, clause (1), who are transported to schools outside their normal attendance area under the provisions of a plan for desegregation mandated by the state board of education or under court order, and (B) the product of the FTE number of those same pupils transported in the regular category in the district, times the district's aid entitlement per FTE determined according to section 124.225, subdivision 7b; or

(2) the difference for the school year beginning in the year in which the levy is certified between (A) the district's actual cost of transporting all pupils to and from school under section 124.223, clause (1), and (B) the sum of

(i) the product of the total number of FTE pupils transported in the regular category in the district, times the district's aid entitlement per FTE pupil transported determined according to section 124.225, subdivision 7b, and

(ii) the amount which the district is permitted to levy under clause (e) of this subdivision.

Levies authorized by this subdivision shall be computed according to procedures established by the commissioner.

Sec. 12. [APPROPRIATIONS.]

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

Subd. 2. [TRANSPORTATION AID.] For transportation aid there is appropriated:

\$88,800,600 1986,

\$95,384,400 1987.

(a) The appropriation for 1986 includes \$12,284,400 for aid for fiscal year 1985 payable in fiscal year 1986 and \$76,516,200 for fiscal year 1986 payable in fiscal year 1986.

(b) *The appropriation for 1987 includes \$13,502,900 for aid for fiscal year 1986 payable in fiscal year 1987 and \$81,881,500 for fiscal year 1987 payable in fiscal year 1987.*

(c) *The appropriations are based on aid entitlements of \$90,019,100 for fiscal year 1986 and \$96,331,200 for fiscal year 1987.*

Subd. 3. [INTERDISTRICT TRANSPORTATION AID; PROGRAMS OF EXCELLENCE.] *For transportation of pupils to programs of excellence pursuant to Minnesota Statutes 1984, section 126.62, subdivision 6, there is appropriated:*

\$17,000 1986,

\$17,000 1987.

This aid shall be paid at 100 percent of the entitlement for the current fiscal year.

Subd. 4. [TRANSPORTATION AID FOR CHOICE PROGRAMS.] *For transportation of pupils who choose to attend school pursuant to Article 5, section 4, there is appropriated:*

\$50,000 1987.

The commissioner shall allocate this appropriation among school districts based upon criteria adopted by the state board of education under section 123.3514, subdivision 6. This money shall be available until June 30, 1987.

Subd. 5. [CANCELLATION.] *Any unexpended balance remaining from the appropriations in this section for 1986 shall cancel and shall not be available for the second year of the biennium. None of the amounts appropriated in this section shall be expended for a purpose other than the purpose indicated. If an appropriation amount attributable to either year for any purposes indicated is insufficient, the aid for that year shall be prorated among all qualifying districts in the manner prescribed in Minnesota Statutes, section 124.225, subdivision 8a.*

Sec. 13. [REPEALER.]

Minnesota Statutes 1984, section 124.225, subdivisions 4a, 8c, 8d, 8e, 8f, 8g, and 8h are repealed.

ARTICLE 3

SPECIAL AND COMPENSATORY EDUCATION

Section 1. *Minnesota Statutes 1984, section 120.17, subdivision 3, is amended to read:*

Subd. 3. [RULES OF THE STATE BOARD.] The state board shall promulgate rules relative to qualifications of essential personnel, courses of study or training, methods of instruction and training, pupil eligibility, (SIZE OF CLASSES,) rooms, equipment, supervision, parent consultation and any other rules and standards it deems necessary, for instruction of handicapped children. These rules shall provide standards and procedures appropriate for the implementation of and within the limitations of subdivisions 3a and 3b. These rules shall also provide standards for the discipline, control, management and protection of handicapped children. *The state board shall not adopt rules establishing either staff to student ratios for students in need of special education services, or maximum numbers of pupils that may be assigned to licensed personnel who are employed as special education teachers. State board rules codified as 3525.1700 in the 1983 Minnesota Rules are repealed, effective the day after final enactment of this section.* The state board shall, according to section 14.05, subdivision 4, notify a district applying for a variance from the rules within 45 calendar days of receiving the request whether the request for the variance has been granted or denied. If a request is denied, the board shall specify the program standards used to evaluate the request and the reasons for denying the request.

Sec. 2. Minnesota Statutes 1984, section 120.17, is amended by adding a subdivision to read:

Subd. 3d. [PLACEMENT IN SPECIAL EDUCATION CO-OPERATIVE.] *Notwithstanding other law, a school district may place a pupil who is determined to be handicapped, in an appropriate existing program in a multi-district special education cooperative to which that district belongs, for purposes of complying with the requirements of that pupil's individualized education plan. The placement shall be considered to satisfy the requirement of placing that pupil in the least restrictive environment.*

Sec. 3. Minnesota Statutes 1984, section 124.273, subdivision 1b, is amended to read:

Subd. 1b. [(1983-1984) TEACHERS SALARIES.] (FOR THE 1983-1984 SCHOOL YEAR, AND EACH YEAR THEREAFTER,) The department shall pay a school district 65 percent of the salary, *but this amount shall not exceed \$15,000 for the regular school year*, calculated from the date of hire, of one full time equivalent teacher for each 45 pupils of limited English proficiency enrolled in the district, or a pro rata amount thereof for increments of fewer than 45 pupils. Notwithstanding the foregoing, the department shall pay 65 percent of the salary, *but this amount shall not exceed \$7,500*, calculated from the date of hire, of one-half of a full time equivalent teacher to a district with 22 or fewer pupils of limited English proficiency enrolled.

Sec. 4. Minnesota Statutes 1984, section 124.32, subdivision 1b, is amended to read :

Subd. 1b. [(1983-1984) TEACHERS SALARIES.] (BEGINNING IN THE 1983-1984 SCHOOL YEAR AND EACH YEAR THEREAFTER,) (a) The state shall pay to any district for the employment in its educational program for handicapped children 70 percent of the salary of essential personnel *but this amount shall not exceed \$20,000 for the normal school year for each full time person employed, except for the personnel under paragraph (b), or a pro rata amount for a part time person or a person employed for a limited time, whether the essential personnel are employed by a district alone or jointly with another district.*

(b) The state shall pay to any district for the employment in its educational program for learning disabled and speech impaired handicapped children 70 percent of the salary of essential personnel licensed and teaching in those handicapped areas, but this amount shall not exceed \$17,500 for the normal school year for each full time person employed, or a pro rata amount for a part time person or a person employed for a limited time, whether the essential personnel are employed by a district alone or jointly with another district.

Sec. 5. Minnesota Statutes 1984, section 124.32, subdivision 1d, is amended to read :

Subd. 1d. [CONTRACT SERVICES.] (1) (EXCEPT FOR THE 1982-1983 SCHOOL YEAR,) 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.

(2) (EXCEPT FOR THE 1982-1983 SCHOOL YEAR,) For special instruction or training and services provided for a pupil by such a contract as part of a summer school program, the state shall pay each district 60 percent of the difference between the amount of the contract and the summer school revenue allowance of the district attributable to that pupil.

Sec. 6. Minnesota Statutes 1984, section 124.32, subdivision 2, is amended to read :

Subd. 2. [SUPPLY AND EQUIPMENT AID.] (EXCEPT FOR THE 1982-1983 SCHOOL YEAR,) The state shall pay each district for supplies and equipment purchased or rented for use in the instruction of handicapped children an amount equal to

one-half of the sum actually expended by the district but not to exceed an average of \$50 in any one school year for each handicapped child receiving instruction.

Sec. 7. Minnesota Statutes 1984, section 124.32, subdivision 5, is amended to read:

Subd. 5. [RESIDENTIAL AID.] 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 aid to the resident district under the provisions of this subdivision. (EXCEPT FOR THE 1981-1982 REGULAR SCHOOL YEAR,) The aid shall be an amount not to exceed (60) 56 percent of the difference between the instructional costs charged to the resident district and the foundation aid formula allowance, for each handicapped child placed in a residential facility. (EXCEPT FOR 1982 SUMMER SCHOOL PROGRAMS,) The aid for summer school programs for each handicapped child placed in a residential facility shall be an amount not to exceed (60) 56 percent of the difference between the instructional costs charged to the resident district and the summer school revenue allowance in the resident district attributable to that child. Aid for these programs shall be paid on a reimbursement basis by October 31 following completion of the program. No aid shall be paid pursuant to this subdivision for tuition charged a resident district pursuant to section 120.17, subdivision 7a, for a child placed at the Minnesota School for the Deaf or the Minnesota Braille and Sight-Saving School.

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

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

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

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

Sec. 8. Minnesota Statutes 1984, section 124.32, subdivision 10, is amended to read:

Subd. 10. [SUMMER SCHOOL.] (THE STATE SHALL PAY AID FOR SUMMER SCHOOL PROGRAMS FOR HANDICAPPED CHILDREN ON THE BASIS OF THE SECTIONS OF MINNESOTA STATUTES PROVIDING AID FOR HAND-

ICAPPED CHILDREN FOR THE PRECEDING SCHOOL YEAR.) *The state shall pay to any district for the employment in its summer school educational program for handicapped children, 70 percent of the salary of essential personnel. However, this amount shall not exceed \$3,333 for essential personnel employed in areas other than learning disabilities and speech impairment and shall not exceed \$2,917 for essential personnel employed in learning disabilities and speech impairment areas. By March 15 of each year, districts shall submit separate applications for program and budget approval for summer school programs. The review of these applications shall be as provided in subdivision 7. By May 1 of each year, the commissioner shall approve, disapprove or modify the applications and notify the districts of the action and of the estimated amount of aid for the summer school programs. Aid for these programs shall be paid by November 15 after the summer when the programs are conducted.*

Sec. 9. Minnesota Statutes 1984, section 275.125, is amended by adding a subdivision to read:

Subd. 8c. [SPECIAL EDUCATION LEVY.] A district, excluding intermediate school district Nos. 287, 916, and 917, may levy an amount which may not exceed the lesser of:

(1) 1.0 mill times the adjusted assessed valuation of the district for the year preceding the year the levy is certified, or

(2) 100 percent of salaries paid to special education essential personnel in that district minus the amount of state aid and any federal aid, if applicable, paid to that district for salaries of these essential personnel under sections 124.273 and 124.32, for the year to which the levy is attributable.

For purposes of this subdivision, a special education cooperative or an intermediate school district shall allocate the unreimbursed portions of salaries of essential personnel which are attributable to each of the member districts of the cooperative or the intermediate district.

Special education cooperatives and intermediate school districts which allocate the unreimbursed portions of salaries of special education essential personnel among member districts, for purposes of the member districts making a levy under this subdivision, shall provide information to the state department of education on the amount of unreimbursed costs of salaries they allocated to the member districts.

Sec. 10. [SPECIAL EDUCATION LEVY, 1985.]

In addition to the levy authorized in section 8, in 1985 only, a district, excluding intermediate school district Nos. 287, 916, and 917, may levy an amount which may not exceed the lesser of:

(1) 1.0 mill times the 1984 adjusted assessed valuation of the district, or

(2) 100 percent of salaries paid to special education essential personnel in that district in fiscal year 1986, minus the amount of state aid and any federal aid, if applicable, paid to that district for salaries of these essential personnel under sections 124.273 and 124.32 for fiscal year 1986.

For purposes of this subdivision, a special education cooperative or an intermediate school district shall allocate the portions of unreimbursed salaries of essential personnel which are attributable to each of the member districts of the cooperative or the intermediate school district.

Special education cooperatives and intermediate school districts which allocate the unreimbursed portions of salaries of special education essential personnel among member districts, for purposes of the member districts making a levy under this subdivision, shall provide information to the state department of education on the amount of unreimbursed costs of salaries they allocated to the member districts.

Sec. 11. [OCCUPATIONAL THERAPY STUDY.]

By February 1, 1986, the department of education shall conduct a study and make recommendations to the house and senate education committees, house education finance division, and senate education aids subcommittee on the fiscal impact and educational effectiveness of providing state aid for occupational therapy in special education programs.

Sec. 12. [SPECIAL EDUCATION REPORT.]

The department of education shall prepare (1) guidelines for prereferral to special education, (2) criteria for determining the presence of a specific learning disability as a handicapping condition, and (3) entrance and exit criteria for specific learning disability programs in school districts. The department shall report the guidelines and criteria and its recommendations to the education committees of the legislature by January 15, 1986.

Sec. 13. [APPROPRIATIONS.]

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

Subd. 2. [SPECIAL EDUCATION AID.] For special education aid there is appropriated:

\$135,899,600 1986,

\$138,939,500 1987.

The appropriation for 1986 includes \$20,369,000 for aid for fiscal year 1985 payable in fiscal year 1986, and \$115,530,600 for aid for fiscal year 1986 payable in fiscal year 1986.

The appropriation for 1987 includes \$20,319,000 for aid for fiscal year 1986 payable in fiscal year 1987 and \$118,620,500 for aid for fiscal year 1987, payable in fiscal year 1987.

The appropriations are based on aid entitlements of \$135,849,500 for fiscal year 1986 and \$139,482,000 for fiscal year 1987.

Subd. 3. [SUMMER SCHOOL SPECIAL EDUCATION AID.] *For special education aid for summer school programs there is appropriated:*

\$3,977,200 1986;

\$4,160,000 1987.

The appropriation for 1986 is for 1985 summer school programs.

The appropriation for 1987 is for 1986 summer school programs.

Subd. 4. [RESIDENTIAL FACILITIES AID.] *For aid pursuant to section 124.32, subdivision 5, there is appropriated:*

\$1,158,800 1986;

\$1,205,200 1987.

Subd. 5. [LIMITED ENGLISH PROFICIENCY PUPILS PROGRAM AID.] *For aid to educational programs for pupils of limited English proficiency pursuant to section 124.273 there is appropriated:*

\$2,547,300 1986;

\$2,648,200 1987.

The appropriation for 1986 includes \$431,100 for aid for fiscal year 1985 payable in fiscal year 1986, and \$2,116,200 for aid for fiscal year 1986 payable in fiscal year 1986.

The appropriation for 1987 includes \$373,500 for aid for fiscal year 1986 payable in fiscal year 1987 and \$2,274,700 for aid for fiscal year 1987, payable in fiscal year 1987.

The appropriations are based on aid entitlements of \$2,489,700 for fiscal year 1986 and \$2,676,100 for fiscal year 1987.

Subd. 6. [AMERICAN INDIAN LANGUAGE AND CULTURE PROGRAM AID.] For grants to American Indian language and culture education programs pursuant to section 126.54, subdivision 1, there is appropriated:

\$585,200 1986;

\$588,300 1987.

The appropriation for 1986 includes \$85,200 for aid for fiscal year 1985 payable in fiscal year 1986 and \$500,000 for aid for fiscal year 1986 payable in fiscal year 1986.

The appropriation for 1987 includes \$88,300 for aid for fiscal year 1986 payable in fiscal year 1987 and \$500,000 for aid for fiscal year 1987, payable in fiscal year 1987.

The appropriations are based on aid entitlements of \$588,235 for fiscal year 1986 and \$588,235 for fiscal year 1987.

Subd. 7. [HEARING IMPAIRED SUPPORT SERVICES AID.] For payment of support services for hearing impaired persons pursuant to section 121.201 there is appropriated:

\$65,000 1986;

\$30,000 1987.

The appropriations are based on aid entitlements of \$60,000 for fiscal year 1986 and \$30,000 for fiscal year 1987. \$5,000 of the appropriation for fiscal year 1986 shall be used by the department of education to conduct a study on hearing impaired support services.

Subd. 8. [CANCELLATION.] Any unexpended balances remaining from the appropriations in this section for 1986 shall cancel and shall not be available for the second year of the biennium. None of the amounts appropriated in this section shall be expended for a purpose other than the purpose indicated.

Subd. 9. [PRORATION.] If the appropriation amount in subdivision 2, 3, 4, 5, 6, or 7 of this section attributable to either year for the purpose indicated is insufficient, the aid for that year shall be prorated among all qualifying districts and the state shall not be obligated for any amount in excess of the appropriations in this section for these purposes.

Sec. 14. [APPROPRIATIONS FOR DEFICIENCIES.]

Subdivision 1. [HEARING IMPAIRED SUPPORT SERVICES AID.] There is appropriated from the general fund to the department of education the sum of \$15,000 for fiscal year 1985 for the payment of a deficiency in funds available for payment of hearing impaired support services aid in that fiscal year. This sum shall be added to the sum appropriated for fiscal year 1985 for this purpose in Laws 1983, chapter 314, article 3, section 19, subdivision 8.

Subd. 2. [FUTURE DEFICIENCIES.] Beginning with fiscal year 1986 and each year thereafter, the legislature does not intend to appropriate any moneys to fund special education deficiencies which may occur in fiscal year 1986 and subsequent years.

Sec. 15. [REPEALER.]

Minnesota Statutes 1984, section 120.17, subdivision 1a, section 120.172, subdivision 3, section 124.273, subdivisions 2b and 5, and section 124.32, subdivision 9a are repealed.

Sec. 16. [EFFECTIVE DATE.]

Sections 2 and 14, subdivision 1 are effective the day following final enactment.

ARTICLE 4

COMMUNITY AND ADULT EDUCATION

Section 1. Minnesota Statutes 1984, section 121.88, is amended to read:

121.88 [(DISTRICT) COMMUNITY EDUCATION PROGRAMS; (CITIZENS) ADVISORY COUNCIL.]

Subdivision 1. [AUTHORIZATION.] The board of education of each school district of the state is hereby authorized to initiate a community education program in its district and to provide for the general supervision of (SAID) the program. Each board may, as it considers appropriate, employ community education directors and coordinators to further the purposes of the community education program. The salaries of the directors and coordinators shall be paid by the board.

Subd. 2. [ADVISORY COUNCIL.] Each board shall provide for a citizen advisory council to consist of members who represent: the various service organizations; churches; private schools; local government; park, recreation or forestry services of municipal or local government units located in whole or in

part within the boundaries of the school district; and any other groups participating in the community education program in the school district.

Subd. 3. [COOPERATION.] The council shall function in cooperation with the community education director in an advisory capacity in the interests of promoting the goals and objectives of sections 121.85 to 121.88.

Subd. 4. [DUPLICATION POLICY.] Each council shall adopt a policy to reduce and eliminate program duplication within the district.

Subd. 5. [SUMMER (SCHOOL) PROGRAMS.] Notwithstanding any law to the contrary, during the summer a school district may offer community education programs to elementary and secondary pupils. The district may use community education revenue received pursuant to sections 124.271 and 275.125, subdivision 8 and charge fees for the cost of the programs.

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

(1) *services enabling the adults to participate in community activities or community education classes;*

(2) *classes specifically for handicapped adults;*

(3) *outreach activities to identify adults needing service;*

(4) *activities to increase public awareness of the roles of handicapped people;*

(5) *activities to enhance the role of handicapped people in the community; and*

(6) *other direct and indirect services and activities benefiting handicapped adults.*

Subd. 7. [PROGRAM APPROVAL.] *To be eligible for handicapped adult program revenue a program and budget must receive approval from the community education section in the department of education. Approval may be for one or two years. For programs offered cooperatively, the request for approval must include an agreement on the method by which local money is to be derived and distributed. The department may not exceed the amount appropriated when approving programs and budgets. A request for approval must include all of the following:*

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

Sec. 2. Minnesota Statutes 1984, section 121.882, subdivision 2, is amended to read:

Subd. 2. [PROGRAM CHARACTERISTICS.] Early childhood and family education programs are programs for children in the period of life from birth to kindergarten and for the parents *including expectant parents* of such children. The programs may include the following:

- (1) programs to educate parents about the physical, mental, and emotional development of children;
- (2) programs to enhance the skills of parents in providing for their children's learning and development;
- (3) learning experiences for children and parents;
- (4) activities designed to detect children's physical, mental, emotional, or behavioral problems that may cause learning problems;
- (5) educational materials which may be borrowed for home use;
- (6) information on related community resources; or
- (7) other programs or activities.

The programs shall not include activities for children that do not require substantial involvement of the children's parents.

Sec. 3. Minnesota Statutes 1984, section 121.882, is amended by adding a subdivision to read:

Subd. 2a. [SUBSTANTIAL PARENTAL INVOLVEMENT.] *The requirement of substantial parental involvement in subdivision 2 means that:*

(a) *parents must be physically present much of the time in classes with their children or in concurrent classes;*

(b) *parenting education or family education must be an integral part of every early childhood and family education program;*

(c) *early childhood and family education appropriations must not be used for traditional day care or nursery school, or similar programs; and*

(d) *the form of parent involvement common to kindergarten, elementary school, or early childhood special education programs such as parent conferences, newsletters, and notes to parents is not substantial enough to qualify a program under subdivision 2.*

Sec. 4. Minnesota Statutes 1984, section 124.26, subdivision 1, is amended to read:

Subdivision 1. [COMPENSATION.] For evening schools and continuing education programs, the state shall pay aids *only for programs approved by the commissioner of education. The total aid for all programs approved by the commissioner shall not exceed the amount appropriated for this purpose. The aid shall be paid on a current funding basis. (EXCEPT FOR THE 1982-1983 SCHOOL YEAR,)* Aid shall be 90 percent of the compensation paid each teacher for services in the programs up to \$8,000 per year as approved in the current year application. Aid may also be paid for an alternative method of providing programs if the method is determined by the commissioner of education to be cost-effective. Not more than two and one-half percent of the amount appropriated for evening schools and continuing education programs may be for alternative programs. All classes shall be tuition free when taught by teachers subsidized under this section. No charge for registration, materials and supplies may be made except a security deposit for the return of materials, supplies, and equipment. Evening school and continuing education programs are defined as those public day or evening school programs which are established for persons over 16 years of age not in attendance at (THE) full time elementary or secondary schools and which qualify such persons for the high school diploma, the high school equivalency certificate or for academic achievement at the secondary level.

Sec. 5. Minnesota Statutes 1984, section 124.26, subdivision 6, is amended to read:

Subd. 6. [APPLICATIONS; PRORATION.] By August 1 of each fiscal year, the commissioner shall approve or disapprove all applications for funding for that year pursuant to (SUB-DIVISION 1) *this section* that were received by the preceding

June 1, and shall notify the applicant districts of the decision. In any fiscal year when the total amount requested by districts for approved programs exceeds the amount appropriated, the commissioner shall, to the extent possible, fully fund the programs which were approved by August 1, and shall (PRORATE) *allocate* any remaining funds among programs which are approved after August 1.

Sec. 6. Minnesota Statutes 1984, section 124.271, subdivision 2b, is amended to read:

Subd. 2b. [AID (; 1985 AND AFTER).] (1) Each fiscal year a district which is operating a community education program in compliance with rules promulgated by the state board shall receive community education aid. For fiscal year 1985, the aid shall be an amount equal to the difference obtained by subtracting

(a) an amount equal to .8 mill times the adjusted assessed valuation used to compute the community education levy limitation for the levy attributable to that school year, from

(b) the greater of

(i) \$7,000, or

(ii) \$5 times the population of the district.

For fiscal year 1986 (AND EACH FISCAL YEAR THEREAFTER), the aid shall be an amount equal to the difference obtained by subtracting

(a) an amount equal to .8 mill times the adjusted assessed valuation used to compute the community education levy limitation for the levy attributable to that school year, from

(b) the greater of

(i) \$7,000, or

(ii) (\$5.25) \$5.00 times the population of the district.

For fiscal year 1987 and each fiscal year thereafter, the aid shall be an amount equal to the difference obtained by subtracting

(a) *an amount equal to one mill times the adjusted assessed valuation used to compute the community education levy limitation for the levy attributable to that school year, from*

(b) *the greater of*

(i) \$7,000, or

(ii) \$5.00 times the population of the district.

(2) However, for any district which certifies less than the maximum permissible levy under the provisions of section 275.125, subdivision 8, clause (1), the district's community education aid under clause (1) of this subdivision shall be reduced by multiplying the aid amount computed pursuant to clause (1) of this subdivision by the ratio of the district's actual levy under section 275.125, subdivision 8, clause (1), to its maximum permissible levy under section 275.125, subdivision 8, clause (1). For purposes of computing the aid reduction pursuant to this clause, the amount certified pursuant to section 275.125, subdivision 8, clause (1), shall not reflect reductions made pursuant to section 275.125, subdivision 9.

(3) In addition to the amount in clause (1), in fiscal year 1985 a district which makes a levy for community education programs pursuant to section 275.125, subdivision 8, shall receive additional aid of 50 cents per capita.

Sec. 7. Minnesota Statutes 1984, section 124.271, is amended by adding a subdivision to read:

Subd. 7. [HANDICAPPED ADULT PROGRAMS.] A district or group of districts offering an approved program for handicapped adults shall receive aid equal to the lesser of \$25,000 or one-half of the amount of the approved budget. A district or group of districts shall provide the remaining half from other public or private sources, the levy authorized in section 275.125, subdivision 8, clause (4), or combinations of sources.

Sec. 8. Minnesota Statutes 1984, section 124.2711, subdivision 1, is amended to read:

Subdivision 1. [DEFINITION OF MAXIMUM REVENUE.] (BEGINNING) For fiscal year 1986 (AND EACH YEAR THEREAFTER) the "maximum revenue" for early childhood and family education programs for a school year means the amount of revenue equal to the product of five percent of the foundation aid formula allowance for the current school year, times the greater of (a) 150, or (b) the number of people under five years of age residing in the district on September 1 of the preceding school year.

Beginning for fiscal year 1987 and each year thereafter the "maximum revenue" for early childhood and family education programs for a school year means the amount of revenue equal to the product of 2.5 percent of the foundation aid formula allowance for the current school year, times the greater of (a) 150, or (b) the number of people under five years of age residing in the district on September 1 of the preceding school year.

Sec. 9. Minnesota Statutes 1984, section 275.125, subdivision 8, is amended to read:

Subd. 8. [COMMUNITY EDUCATION LEVY.] (1) Each year, a district which has established a community education advisory council pursuant to section 121.88, may levy *the following amounts for its community education program. In 1984 a district may levy* the amount raised by .8 mill times the most recent adjusted assessed valuation of the district, but no more than the greater of

- (a) (\$5.25) \$5.00 times the population of the district, or
- (b) \$7,000.

In 1985 and each year thereafter, a district may levy the amount raised by one mill times the most recent adjusted assessed valuation of the district, but no more than the greater of

- (a) \$5.00 times the population of the district, or
- (b) \$7,000.

(2) In addition to the levy authorized in clause (1), in 1983 a district may levy an additional amount for community education programs equal to the difference obtained by subtracting

- (a) the sum in fiscal year 1984 of
 - (i) the district's estimated maximum permissible revenue for fiscal year 1985 from community education aid under section 124.271, subdivision 2b, clause (1), and
 - (ii) the community education levy authorized in clause (1) of this subdivision, from
- (b) the sum in fiscal year 1983 of
 - (i) the district's maximum permissible revenue from community education aid under *Minnesota Statutes 1984*, section 124.271, subdivision 2, excluding any reductions from community education aid made pursuant to Laws 1981, Third Special Session chapter 2, article 2, section 2, clause (mm), and Laws 1982, Third Special Session chapter 1, article 3, section 6, and
 - (ii) the maximum community education levy authorized in this subdivision for the district for the levy made in 1981, payable in 1982, before any reduction in the levy pursuant to subdivision 9.

(3) In (1984 AND EACH YEAR THEREAFTER, IN) addition to the levy authorized in clause (1), a district may levy an

amount equal to the amount the district was entitled to levy pursuant to clause (2) in 1983.

(4) *In addition to the levy amounts authorized in this subdivision a district having an approved program and budget may levy for a handicapped adult program. The levy amount may not exceed the lesser of one-half of the amount of the approved budget for the program for the fiscal year beginning in the year after the levy is certified or \$25,000 for one program. In the case of a program offered by a group of districts, the levy amount shall be divided among the districts according to the agreement submitted to the department. The proceeds of the levy shall be used only for a handicapped adult program or, if the program is subsequently not offered, for community education programs. For programs not offered, the department of education shall reduce the community education levy authorized in 1986 by the amount levied in 1985 for handicapped adult programs.*

(5) The levies authorized in this subdivision shall be used for community education, including nonvocational adult programs, recreation and leisure time activity programs, and programs authorized by sections 121.85 to 121.88 (AND 129B.06 TO 129B.09,) and section 121.882. A school district may levy pursuant to this subdivision only after it has filed a certificate of compliance with the commissioner of education. The certificate of compliance shall certify that the governing boards of the county, municipality and township in which the school district or any part thereof is located have been sent 15 working days written notice of a meeting and that a meeting has been held to discuss methods of increasing mutual cooperation between such bodies and the school board. The failure of a governing board of a county, municipality or township to attend the meeting shall not affect the authority of the school district to levy pursuant to this subdivision.

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

Sec. 10. Minnesota Statutes 1984, section 275.125, is amended by adding a subdivision to read:

Subd. 8c. [1985 LEVY FOR HANDICAPPED ADULT PROGRAMS.]

In addition to the levy authorized in Minnesota Statutes, section 275.125, subdivision 8, clause (4), as amended by section 9 of this article, a district may levy in 1985 for a handicapped adult program in the 1985-1986 school year according to this subdivision. The additional levy amount may not exceed the lesser of one-half of the program budget or \$25,000. In the case of a program offered by a group of districts, the levy amount shall be

divided among the districts according to their agreement. The proceeds of the levy shall be used only for a handicapped adult program or, if the program is subsequently not offered, for community education programs. For programs not offered, the department of education shall reduce the community education levy authorized in 1986 by the amount levied in 1985 for handicapped adult programs.

Sec. 11. [LEVY ADJUSTMENT.]

The commissioner shall adjust the 1984 payable 1985 community education levy limitations for school districts according to the provisions of this section. The adjustment shall be a positive or negative amount equal to the difference between the amount the district levied pursuant to section 275.125, subdivision 8, and the amount the district would have certified if the provisions of section 9 in this article amending section 275.125, subdivision 8, with respect to the 1984 payable 1985 levy had been in effect at the time the 1984 payable 1985 levy was made. The adjustment shall be added to or subtracted from the district's levy limitation for 1985 taxes payable in 1986.

Sec. 12. [EVALUATION STUDY.]

The department of education shall conduct a thorough study of the pilot early childhood and family education programs administered by the council on quality education and the early childhood and family education programs authorized under Minnesota Statutes 1984, section 129B.06 to 129B.09. The study shall examine at least the following: the extent of participation in the programs; the cost-effectiveness of the programs; the involvement of the local advisory councils in assisting the districts in administering the programs; inter-district cooperation in providing programs; adequacy of funding; administration by the department of education; and the impact on strengthening families and helping young children develop their physical and cognitive skills. By March 1, 1986, the department of education shall report the results of its study to the education committees of the legislature.

Sec. 13. [APPROPRIATIONS.]

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

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

\$1,560,800 1986,

\$1,500,000 1987.

The amount appropriated for fiscal year 1986 includes \$285,800 for aid for fiscal year 1985 payable in fiscal year 1986, and \$1,275,000 for aid for fiscal year 1986 payable in fiscal year 1986.

The amount appropriated for fiscal year 1987 includes \$225,000 for aid for fiscal year 1986 payable in fiscal year 1987, and \$1,275,000 for aid for fiscal year 1987 payable in fiscal year 1987.

The appropriations are based on aid entitlements of \$1,500,000 for fiscal year 1986 and \$1,500,000 for fiscal year 1987.

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

\$1,467,800 1986,

\$ 548,500 1987.

The amount appropriated for fiscal year 1986 includes \$424,200 for aid for fiscal year 1985 payable in fiscal year 1986, and \$1,043,600 for aid for fiscal year 1986 payable in fiscal year 1986.

The amount appropriated for fiscal year 1987 includes \$184,200 for aid for fiscal year 1986 payable in fiscal year 1987, and \$364,300 for aid for fiscal year 1987 payable in fiscal year 1987.

The appropriations are based on aid entitlements of \$1,227,800 for fiscal year 1986 and \$428,600 for fiscal year 1987.

Subd. 4. [EARLY CHILDHOOD AND FAMILY EDUCATION AID.] For early childhood and family education aid pursuant to section 124.2711 there is appropriated:

\$5,245,100 1986,

\$2,899,100 1987.

The amount appropriated for fiscal year 1986 is for aid for fiscal year 1986 payable in fiscal year 1986.

The amount appropriated for fiscal year 1987 includes \$925,600 for aid for fiscal year 1986 payable in fiscal year 1987, and \$1,473,500 for aid for fiscal year 1987 payable in fiscal year 1987.

The appropriations are based on aid entitlements of \$6,170,700 for fiscal year 1986 and \$1,733,500 for fiscal year 1987.

Subd. 5. [HANDICAPPED ADULT.]

There is appropriated from the general fund to the department of education the sums indicated for the fiscal years ending June 30 in the years indicated.

For aid for handicapped adult program aid:

\$250,000 1986,

\$350,000 1987.

Of the amount appropriated in fiscal year 1987, \$100,000 shall be for new programs beginning in that year.

The appropriations are based on entitlements of \$250,000 for fiscal year 1986 and \$350,000 for fiscal year 1987.

Subd. 6. [CANCELLATION AND PRORATION.] Any unexpended balance remaining from the appropriations in this section for 1986 shall cancel and shall not be available for the second year of the biennium. None of the amounts appropriated in this section shall be expended for a purpose other than the purpose indicated. If the appropriation amount attributable to either year for the purpose indicated is insufficient, the aid for that year shall be prorated among all qualifying districts, and the state shall not be obligated for any amount in excess of the appropriations in this section for these purposes.

Sec. 14. [APPROPRIATION FOR DEFICIENCY.]

There is appropriated from the general fund to the department of education the sum of \$399,600 for fiscal year 1985 for the payment of a deficiency in funds available for the payment of adult education aid in that fiscal year. This sum shall be added to the sum appropriated for fiscal year 1985 for this purpose in Laws 1983, chapter 314, article 4, section 11, subdivision 2.

Sec. 15. [REPEALER.]

Minnesota Statutes 1984, section 124.271, subdivisions 2 and 2a, and section 129B.03 are repealed.

Sec. 16. [EFFECTIVE DATE.]

Section 14 is effective the day following final enactment.

ARTICLE 5

CHOICE IN EDUCATION

Section 1. [123.3514] [POST-SECONDARY ENROLLMENT OPTIONS ACT.]

Subdivision 1. [CITATION.] This section may be cited as the "post-secondary enrollment options act."

Subd. 2. [PURPOSE.] The purpose of this section is to promote rigorous academic pursuits and to provide a wider variety of academic options to high school students by encouraging and enabling secondary pupils to enroll full-time or part-time in nonsectarian academic courses in post-secondary institutions in Minnesota or in a state which has a reciprocity agreement with Minnesota.

Subd. 3. [AUTHORIZATION; NOTIFICATION.] Beginning with the 1985-1986 school year and each year thereafter, notwithstanding any other law to the contrary, a parent or guardian of an 11th or 12th grade pupil may apply to a post-secondary institution in Minnesota or in a state which has a reciprocity agreement with Minnesota to allow the pupil to enroll in nonsectarian academic courses offered at that post-secondary institution. A pupil attending a post-secondary institution under this section shall not be included in the institution's student enrollment. If a post-secondary institution accepts a secondary pupil for enrollment under this section, that institution shall send written notice to the pupil and the pupil's resident district within ten days of acceptance. The notice shall indicate the course or courses and hours of enrollment of that pupil.

Subd. 4. [CREDITS.] A school district shall grant academic credit to a pupil enrolled in a nonsectarian academic course offered by a post-secondary education institution in Minnesota or in a state which has a reciprocity agreement with Minnesota, or a nonprofit public agency other than the district under subdivision 3, if the pupil successfully completes the course attended and passes an examination approved by the district. If no comparable course is offered by the district, the state board of education shall determine the number of credits which shall be granted to a pupil who successfully completes and passes the course. If a comparable course is offered by the district, the local school board shall grant a comparable number of credits to the pupil. If there is a dispute between the district and the pupil regarding the number of credits granted for a particular course, the pupil may appeal the school board's decision to the state board of education. The state board's decision regarding the number of credits shall be final.

The credits granted to a pupil shall be counted toward the graduation requirements and subject area requirements of the school district. Evidence of successful completion of each class and credits granted shall be included in the pupil's secondary school record.

Subd. 5. [FINANCIAL ARRANGEMENTS.] The resident district of the pupil attending a post-secondary institution under this section shall pay to the higher education coordinating board,

an amount equal to the difference between the formula allowance plus the total tier revenue allowance attributable to that pupil and an amount computed by multiplying the formula allowance plus the total tier revenue allowance attributable to that pupil by a ratio. The ratio to be used is the total number of hours that that pupil is enrolled in courses in the secondary school during the regular school year over 1050 hours. The resident school district shall pay this amount to the higher education coordinating board within ten days after receiving written notice under subdivision 3. The payment to the higher education coordinating board for any pupil shall not exceed the actual tuition cost for that pupil enrolled at the post-secondary institution. The resident district of the pupil shall reimburse the pupil for the cost of the pupil's textbooks and other materials required for the post-secondary coursework. In no case shall the tuition costs, textbooks and materials exceed the total revenue allowance attributable to that pupil.

The higher education coordinating board shall establish a fund for disbursing the moneys received from the school districts under this subdivision to the post-secondary institutions at which pupils are enrolled under this section. Payments based on the average tuition costs of the respective post-secondary systems shall be forwarded to the individual institutions in which secondary pupils were enrolled under this section each term following institutional documentation of the number of full time equivalent secondary pupils enrolled under this section as of census date.

Subd. 6. [TRANSPORTATION.] A parent or guardian of a pupil attending a post-secondary institution under this section, may apply to the pupil's district of residence for reimbursement for transporting the pupil between the secondary school in which the pupil is enrolled and the post-secondary institution that the pupil attends. The state board of education shall adopt rules to establish criteria for providing state aid to districts to reimburse the parent or guardian for the necessary transportation costs, which shall be based on financial need.

Sec. 2. [EVALUATION.]

The department of education and the higher education coordinating board shall collect and evaluate information about the implementation of the program established under section 4 of this article. By January 15, 1987, the commissioner of education shall submit a report to the education committees of the legislature on the implementation of this program.

Sec. 3. [REPEALER.]

Minnesota Statutes 1984, sections 123.3511, 123.3512 and 123.3513 are repealed. The repealer of these sections shall not affect any current obligations of school districts or post-secondary institutions relating to pupils enrolled in post-secondary courses under these sections prior to the 1985-1986 school year.

ARTICLE 6

OTHER AIDS AND LEVIES

Section 1. Minnesota Statutes 1984, section 123.705, subdivision 1, is amended to read:

Subdivision 1. [AID AMOUNTS.] The department of education shall pay each school district for the cost of screening services provided pursuant to sections 123.701 to 123.705. The payment shall not exceed (\$15 PER CHILD SCREENED IN FISCAL YEAR 1983, \$15 PER CHILD SCREENED IN FISCAL YEAR 1984, AND) \$15.60 per child screened in fiscal year 1985, \$7.00 per child screened in fiscal year 1986 and \$8.15 per child screened in fiscal year 1987.

Sec. 2. Minnesota Statutes 1984, section 124.247, subdivision 3, is amended to read:

Subd. 3. [AID.] A district which establishes a program for gifted and talented students shall receive for the purpose of this program an amount equal to (\$16.18 IN THE 1982-1983 SCHOOL YEAR, \$18.25 IN THE 1983-1984 SCHOOL YEAR, AND) \$19.00 in the 1984-1985 school year, times the number of gifted and talented students in the district. *In the 1985-1986 school year and later school years, a district shall receive the greater of \$40 per gifted and talented student or \$500.* No more than five percent of the students enrolled in the district shall be counted as gifted and talented for the purpose of aid computations pursuant to this subdivision. No more than five percent of the moneys received by a district pursuant to this subdivision may be expended for the purpose of administration of the program for gifted and talented students.

Sec. 3. [124.248] [ADVISORY COUNCIL FOR THE GIFTED AND TALENTED.]

Subdivision 1. [ADVISORY COUNCIL.] *The Minnesota advisory council for the gifted and talented is established. By August 1, 1985, the members shall be appointed by the commissioner of education. The members of the advisory council on the gifted and talented created by the state board of education may serve as the first members of the advisory council established by this section. The chairs of the house and senate education committees or their designees are ex officio members of the council. Members shall be reimbursed for their expenses as provided in section 15.059, subdivision 6. Appointments of the members shall not be subject to the provisions of section 15.059.*

Subd. 2. [STUDY.] *The advisory council, with the aid of the department of education, shall conduct a study of gifted and talented education in Minnesota. The study shall include:*

(1) a report of the current status of gifted and talented education in Minnesota;

(2) a review of current research and literature on education of the gifted and talented;

(3) a review of gifted and talented programs in other states;

(4) the recommended roles for the state, for ECSU's, higher education institutions, for local school districts and communities in education of gifted and talented learners;

(5) recommended ways to expand educational opportunities for all gifted and talented learners, but especially those outside the metro area;

(6) possible funding structures for gifted and talented education; and

(7) the development of suggested guidelines in the education of the gifted and talented, including identification, program development, staff development, parent and community involvement, and evaluation.

Subd. 3. [REPORT.] *The advisory council is to report to the education committees of the legislature by February 1, 1986.*

Sec. 4. Minnesota Statutes 1984, section 124.272, subdivision 3, is amended to read:

Subd. 3. [COOPERATION PLAN.] To receive aid or to levy pursuant to section 275.125, subdivision 8a a district shall submit to the commissioner of education an application for aid by August 15. The application shall contain the following:

(a) a three-year plan to improve the district curriculum, which gives priority to offering of any of the following: a three-year mathematics sequence in grades 10 to 12, a three-year science sequence in grades 10 to 12, a two-year foreign language sequence, elementary and secondary courses in computer usage, or other programs recommended by the state board;

(b) an assurance that the proposed curriculum in clause (a) has been developed in conjunction with the planning, evaluation, and reporting process of section 123.741;

(c) a copy of the cooperation agreement;

(d) a description of the proposed increase in curriculum offerings resulting from the agreement;

(e) the estimated instructional cost of the cooperation plan for the following fiscal year; (AND)

(f) *the attributable administrative cost, which may not exceed five percent of the instructional costs, of the cooperation plan for the following fiscal year; and*

(g) other information required by the commissioner.

Sec. 5. Minnesota Statutes 1984, section 124.573, subdivision 2, is amended to read:

Subd. 2. [SALARIES, EQUIPMENT AND TRAVEL.] (EXCEPT FOR THE 1982-1983 SCHOOL YEAR,) The state shall pay to any district or cooperative center (45) ~~44~~ 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. (EXCEPT FOR THE 1982-1983 SCHOOL YEAR,) The state shall pay (45) ~~44~~ percent of the costs of necessary travel between instructional sites by secondary vocational education teachers and (45) ~~44~~ percent of the costs of necessary travel by secondary vocational education teachers accompanying students to and from vocational student organization meetings held within the state for educational purposes. (FOR THE 1981-1982 SCHOOL YEAR, THE STATE SHALL PAY 45 PERCENT OF THE COSTS OF NECESSARY EQUIPMENT FOR THESE PROGRAMS.) No secondary vocational equipment aid shall be paid for the 1982-1983 school year and thereafter. The commissioner may withhold all or any portion of this aid for a secondary vocational education program which receives funds from any other source. In no event shall a district or center receive a total amount of state aid pursuant to this section which, when added to funds from other sources, will provide the program an amount for salaries, equipment and travel which exceeds 100 percent of the amount of its expenditures for salaries, equipment and travel in the program.

Sec. 6. Minnesota Statutes 1984, section 124.574, subdivision 2b, is amended to read:

Subd. 2b. [SALARIES.] For the 1983-1984 school year and each year thereafter, the state shall pay to any district or cooperative center 70 percent of the salaries, *but this amount shall not exceed \$18,000 for the regular school year*, paid to essential licensed personnel in that school year for services rendered in that district or center's secondary vocational education programs for handicapped children.

Sec. 7. Minnesota Statutes 1984, section 124.646, subdivision 1, is amended to read:

Subdivision 1. [SCHOOL LUNCH AID COMPUTATION.] (a) For the (1983-1984) 1985-1986 school year, school districts participating in the national school lunch program shall be paid

by the state in the amount of 7.5 cents for each full paid student lunch served to students in the district.

(b) For the (1984-1985) 1986-1987 school year, school districts participating in the national school lunch program shall be paid by the state in the amount of 7.5 cents for each full paid student lunch served to students in the district.

Sec. 8. Minnesota Statutes 1984, section 125.60, subdivision 7, is amended to read:

Subd. 7. [APPLICATION PROCEDURES; LIMITS.] (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 procedures for applications and shall approve or disapprove applications *for extended leaves beginning before the 1984-1985 school year* pursuant to this subdivision within the limits of the appropriation for the purposes of sections 354.094 and 354A.091. Each application shall state whether or not the teacher requesting the extended leave of absence pursuant to this section intends to pay the employee contribution and requests state payment of the employer contribution into the teacher's retirement fund pursuant to section 354.094 or 354A.091 in order to receive retirement service credit for years spent on leave. The commissioner shall approve no more than 250 applications for extended leaves beginning in the 1983-1984 school year for teachers who intend to pay employee contributions and request state payment of employer contributions.

If more than 250 applications for extended leaves beginning in any school year are received by March 15 of the preceding school year, the commissioner may decide which applications to approve according to the order of receipt, a method ensuring participation by teachers from the maximum possible number of districts, random allotment or any combination of these methods. Applications received by the commissioner after March 15 shall be considered for approval according to the order of receipt within the limits prescribed by this subdivision.

The commissioner shall not approve any applications for extended leaves beginning in the 1984-1985 or any subsequent school year for teachers who intend to pay employee contributions and request state payment of employer contributions. There is no limit on the number of applications which may be approved *by school districts* for extended leaves for teachers who do not intend to pay employee contributions or who do not request state payment of employer contributions.

Sec. 9. Minnesota Statutes 1984, section 136D.27, is amended to read:

136D.27 [TAX LEVIES, CERTIFICATES OF INDEBTEDNESS.]

(a) The joint school board may each year, for the purpose of paying any administrative, planning, operating, or capital expenses incurred or to be incurred for area vocational technical schools, certify to each participating school district the tax levy specified in section 275.125, subdivision 13, clause (2). Additional tax levies may be certified which shall not in any year exceed .6 mills on each dollar of adjusted assessed valuation for special education and .7 mills on each dollar of adjusted assessed valuation for expenses for secondary vocational education. *These additional tax levies also may be used to fund academic programs for low-incidence populations.*

(b) Each participating school district shall include such tax levies in the next tax roll which it shall certify to the county auditor or auditors, and shall remit the collections of such levies to the board promptly when received. Such levies shall not be included in computing the limitations upon the levy of any district under sections 124A.03, 124A.06, subdivision 3a, 124A.08, subdivision 3a, 124A.10, subdivision 3a, 124A.12, subdivision 3a, 124A.14, subdivision 5a, and 275.125. The board may, any time after such levies have been certified to the participating school districts, issue and sell certificates of indebtedness in anticipation of the collection of such levies, but in aggregate amounts such as will not exceed the portion of the levies which is then not collected and not delinquent.

Sec. 10. Minnesota Statutes 1984, section 136D.74, subdivision 2, is amended to read:

Subd. 2. [TAX LEVY.] (a) The intermediate school board may in each year for the purpose of paying any administrative, planning, operating, or capital expenses incurred or to be incurred certify to each county auditor of each county in which said intermediate school district shall lie, as a single taxing district, the tax levy specified in section 275.125, subdivision 13, clause (2). Additional tax levies may be certified which shall not in any year exceed .6 mills on each dollar of adjusted assessed valuation for expenses for special education and .5 mills on each dollar of adjusted assessed valuation for expenses for secondary vocational education. *These additional tax levies also may be used to fund academic programs for low-incidence populations.*

(b) Said annual tax levies shall be certified pursuant to section 124.02. Upon such certification the county auditor or auditors and other appropriate county officials shall levy and collect such levies and remit the proceeds of collection thereof to the intermediate school district as in the case with independent school districts. Such levies shall not be included in computing the limitations, if any, upon the levy of the intermediate district or any of the participating districts under sections 124A.03,

124A.06, subdivision 3a, 124A.08, subdivision 3a, 124A.10, subdivision 3a, 124A.12, subdivision 3a, 124A.14, subdivision 5a, and 275.125.

Sec. 11. Minnesota Statutes 1984, section 136D.87, is amended to read:

136D.87 [TAX LEVIES, CERTIFICATES OF INDEBTEDNESS.]

(a) The joint school board may each year, for the purpose of paying any administrative, planning, operating, or capital expenses incurred or to be incurred for area vocational technical schools, certify to each participating school district the tax levy specified in section 275.125, subdivision 13, clause (2). Additional tax levies may be certified which shall not in any year exceed .6 mills on each dollar of adjusted assessed valuation for expenses for special education and .5 mills on each dollar of adjusted assessed valuation for expenses for secondary vocational education. *These additional tax levies also may be used to fund academic programs for low-incidence populations.*

(b) Each participating school district shall include such tax levies in the next tax roll which it shall certify to the county auditor or auditors, and shall remit the collections of such levies to the board promptly when received. Such levies shall not be included in computing the limitations upon the levy of any district under sections 124A.03, 124A.06, subdivision 3a, 124A.08, subdivision 3a, 124A.10, subdivision 3a, 124A.12, subdivision 3a, 124A.14, subdivision 5a, and 275.125. The board may, any time after such levies have been certified to the participating school districts, issue and sell certificates of indebtedness in anticipation of the collection of such levies, but in aggregate amounts such as will not exceed the portion of the levies which is then not collected and not delinquent.

Sec. 12. Minnesota Statutes 1984, section 275.125, subdivision 8a, is amended to read:

Subd. 8a. [INTERDISTRICT COOPERATION LEVY.] Each year, a district which is eligible for aid pursuant to section 124.272, subdivision 2, may levy the amount of the estimated instructional and administrative costs of the interdistrict cooperation plan for the year to which the levy is attributable, but the levy shall not exceed the lesser of: (1) \$50 times the actual pupil units for that school year; (2) \$50,000; or (3) one mill times the adjusted assessed valuation of the district for the preceding year. The proceeds of the levy may only be used to pay for instructional costs and administrative costs, which may not exceed five percent of the instructional costs, incurred in providing the program offerings resulting from the cooperation plan.

Sec. 13. Minnesota Statutes 1984, section 275.125, is amended by adding a subdivision to read:

Subd. 11d. [CAPITAL LEVY FOR SURPLUS SCHOOL USED AS COMMUNITY CENTER.] In addition to levies for other purposes, a school district may levy not more than \$5.00 per district resident. This levy may be made only if the district has a surplus school building that is used substantially for public nonschool purposes. The proceeds of the levy may only be spent on the building, and then only for a capital expenditure purpose otherwise allowed in this section.

Sec. 14. [TECHNOLOGY LEVY; MID STATE EDUCATIONAL COOPERATIVE.]

In 1985 only, independent school district Nos. 482, 484, 485, 486, and 487, which are each members of the Mid State educational cooperative, may each make a levy in an amount not to exceed one mill times the adjusted assessed valuation of the district to fund the technology demonstration site proposal of the cooperative. However, the total levy for all members of the cooperative shall not exceed \$65,000.

Sec. 15. [TECHNOLOGY LEVY; FOUR SIBLEY COUNTY SCHOOL DISTRICTS.]

In 1985 only, independent school district Nos. 731, 732, 733, and 735 may each make a levy in an amount not to exceed one mill times the adjusted assessed valuation of the district to fund an interactive educational interlink among the districts. However, the total levy for all four districts shall not exceed \$75,000.

Sec. 16. [TECHNOLOGY LEVY; SOUTHWEST MINNESOTA TELECOMMUNICATIONS PROJECT.]

In 1985 only, independent school district Nos. 504, 505, 511, 581, 582, 583, 669, 670, 671, and 918 may each make a levy in an amount not to exceed one mill times the adjusted assessed valuation of the district to fund a two-way interactive telecommunications system among the districts. However, the total levy for all the districts shall not exceed \$100,000.

Sec. 17. [SOUTHWEST MINNESOTA TELECOMMUNICATIONS PROJECT.]

Subdivision 1. [APPROPRIATION.] \$100,000 is appropriated in fiscal year 1986 from the general fund to the department of education to make a grant to the fiscal agent for the southwest Minnesota telecommunications project to complete a two-way interactive telecommunications system between the project's ten-member independent school districts to be used for the purposes in subdivision 2.

Subd. 2. [PURPOSES.] The purposes of the two-way interactive television network to be funded by the grant in subdivision 1 are:

(1) to offer an expanded curriculum to member schools including courses for the academically talented;

(2) to allow the districts to be in compliance with proposed department of education curriculum requirements;

(3) to allow these districts to retain their independence and continue to enjoy the benefits that a school adds to the community;

(4) to provide a convenient method of sharing teachers and other resources across school district boundary lines without the waste of time and expense of teacher or student travel;

(5) to provide a vehicle for adult education through linkage with area AVTI's, Southwest State University, and Worthington Junior College;

(6) to provide a vehicle for in-service opportunities for teachers, other professionals, business leaders including farmers, and public officials; and

(7) to serve as a model for other school district cooperatives who may be interested in the construction and implementation of a similar system.

Sec. 18. [MID STATE EDUCATIONAL COOPERATIVE.]

\$65,000 is appropriated in fiscal year 1986 to the department of education to fund the technology demonstration site proposal of the Mid State educational cooperative. The appropriation is available until June 30, 1987. The grant is for use during the 1985-1986 and 1986-1987 school years.

Sec. 19. [INTERACTIVE CABLE FOR FOUR SIBLEY COUNTY SCHOOL DISTRICTS.]

\$75,000 is appropriated in fiscal year 1986 from the general fund to the department of education. The appropriation is for a grant to the Arlington/Gaylord/Gibbon/Winthrop cable communications commission for an interactive educational interlink between independent school district Nos. 731, 732, 733, and 735.

Sec. 20. [SHERBURNE-WRIGHT EDUCATIONAL TECHNOLOGY COOPERATIVE.]

Subdivision 1. [APPROPRIATION.] \$65,000 is appropriated in fiscal year 1986 from the general fund to the department

of education to make a grant to the fiscal agent for the Sherburne-Wright educational technology cooperative to complete a two-way interactive telecommunications system between the project's member school districts to be used for the purposes in subdivision 3.

Subd. 2. [LEVY.] In 1985 only, school districts which are members of the Sherburne-Wright educational technology cooperative may each make a levy in an amount not to exceed 1 mill times the adjusted assessed valuation of the district. However, the total amount levied by all members of the cooperative shall not exceed \$65,000.

Subd. 3. [PURPOSES.] The purposes of the two-way interactive television network to be funded by the grant in subdivision 1 and the levy in subdivision 2 are:

(1) to offer an expanded curriculum to member schools including courses for the academically talented;

(2) to allow the districts to be in compliance with proposed department of education curriculum requirements;

(3) to allow these districts to retain their independence and continue to enjoy the benefits that a school adds to the community;

(4) to provide a convenient method of sharing teachers and other resources across school district boundary lines without the waste of time and expense of teacher or student travel;

(5) to provide a vehicle for adult education through linkage with area AVTI's and St. Cloud State University;

(6) to provide a vehicle for in-service opportunities for teachers, other professionals, business leaders including farmers, and public officials; and

(7) to serve as a model for other school district cooperatives who may be interested in the construction and implementation of a similar system.

Sec. 21. [JORDAN GRANT.]

Because of the Minnesota sexual abuse reporting law and resulting legal ramifications occurring in independent school district No. 717, Jordan, which has resulted in a loss of pupil units during the 1984-1985 school year, the legislature shall make a grant to that school district for fiscal year 1986 to compensate for that loss.

Sec. 22. [EXCESS CAPITAL LEVY FOR DOVER-EYOTA DISTRICT.]

Notwithstanding the levy limits in Minnesota Statutes, chapter 275, and in addition to all other levies authorized by law, independent school district No. 533, Dover-Eyota, may levy in 1985 only an amount not to exceed \$91,000. The proceeds of the levy may be used for any purpose for which the levies made under Minnesota Statutes, section 275.125, subdivisions 11a, 11b, 11c, and 12 may be used.

Sec. 23. [APPROPRIATIONS.]

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

Subd. 2. [ABATEMENT AID.] For abatement aid pursuant to section 124.214, subdivision 2, there is appropriated:

\$5,656,400 1986,

\$5,921,600 1987.

Subd. 3. [EDUCATIONAL COOPERATIVE SERVICE UNITS.] For educational cooperative service units, there is appropriated:

\$718,700 1986,

\$747,500 1987.

The appropriation for aid for fiscal year 1986 includes \$104,300 for aid for fiscal year 1985 payable in fiscal year 1986 and \$614,400 for aid for fiscal year 1986 payable in fiscal year 1986.

The appropriation for aid for fiscal year 1987 includes \$108,500 for aid for fiscal year 1986 payable in fiscal year 1987 and \$639,000 for aid for fiscal year 1987 payable in fiscal year 1987.

The appropriations are based on aid entitlements of \$722,900 for fiscal year 1986 and \$751,800 for fiscal year 1987.

Funds from this appropriation shall be transmitted to ECSU boards of directors for general operations in the amount of \$65,718 per ECSU for fiscal year 1986, and \$68,345 per ECSU for fiscal year 1987; however, the ECSU whose boundaries coincide with the boundaries of development region 11 and the ECSU whose boundaries encompass development regions six and eight

shall each receive \$131,436 for fiscal year 1986 and \$136,690 for fiscal year 1987 for general operations.

Subd. 4. [SCHOOL LUNCH AND FOOD STORAGE AID.]

For school lunch aid pursuant to section 124.646, and for food storage and transportation costs for USDA donated commodities there is appropriated:

\$4,625,000 1986,

\$4,625,000 1987.

Any unexpended balance remaining from the appropriations in this subdivision shall be prorated among participating schools based on the number of fully paid lunches served during that school year in order to meet the state revenue matching requirement of the USDA National School Lunch Program.

If the appropriation amount attributable to either year is insufficient, the rate of payment for each fully paid student lunch shall be reduced and the aid for that year shall be prorated among participating schools so as not to exceed the total authorized appropriations for that year.

Subd. 5. [CHEMICAL USE PROGRAMS.] *For aid for chemical dependency programs authorized pursuant to section 124.246, there is appropriated:*

\$153,900 1986.

The appropriation for fiscal year 1986 includes \$153,900 for aid for fiscal year 1985 payable in fiscal year 1986.

Subd. 6. [EXTENDED LEAVES OF ABSENCE.] *To meet the state's obligation prescribed in Minnesota Statutes 1984, sections 354.094 and 354A.091, there is appropriated:*

\$938,000 1986,

\$602,000 1987.

Subd. 7. [PART-TIME TEACHING.] *To meet the state's obligation prescribed in Minnesota Statutes 1984, sections 354.66 and 354A.094, there is appropriated:*

\$118,000 1986.

Subd. 8. [NONPUBLIC AIDS.] *For programs for nonpublic educational aid pursuant to sections 123.931 to 123.947, there is appropriated:*

\$6,763,400 1986,

\$7,184,100 1987.

The appropriation for aid for fiscal year 1986 includes \$960,700 for aid for fiscal year 1985 payable in fiscal year 1986 and \$5,802,700 for aid for fiscal year 1986 payable in fiscal year 1986.

The appropriation for fiscal year 1987 includes \$1,024,000 for aid for fiscal year 1986 payable in fiscal year 1987 and \$6,160,100 for aid for fiscal year 1987 payable in fiscal year 1987.

The appropriations are based on aid entitlements of \$6,826,700 for fiscal year 1986 and \$7,247,100 for fiscal year 1987.

Subd. 9. [GIFTED AND TALENTED ADVISORY COUNCIL.] *For the Minnesota advisory council for the gifted and talented established in section 124.248, there is appropriated:*

\$35,000 1986.

Of this amount, \$30,000 is for a study of gifted and talented education in Minnesota and \$5,000 is for council expenses.

Subd. 10. [GIFTED AND TALENTED AID.] *For gifted and talented aid pursuant to section 124.247, there is appropriated:*

\$1,282,600 1986,

\$1,395,500 1987.

The appropriation for aid for fiscal year 1986 includes \$99,100 for aid for fiscal year 1985 payable in fiscal year 1986 and \$1,183,500 for aid for fiscal year 1986 payable in fiscal year 1986.

The appropriation for aid for fiscal year 1987 includes \$208,900 for aid for fiscal year 1986 payable in fiscal year 1987 and \$1,186,600 for aid for fiscal year 1987 payable in fiscal year 1987.

The appropriations are based on aid entitlements of \$1,392,400 for fiscal year 1986 and \$1,396,000 for fiscal year 1987.

Subd. 11. [CAPITAL EXPENDITURE EQUALIZATION AID.] *For capital expenditure equalization aid pursuant to section 124.245, subdivision 1, there is appropriated:*

\$249,600 1986,

\$256,700 1987.

The appropriation for fiscal year 1986 includes \$34,900 for aid for fiscal year 1985 payable in fiscal year 1986 and \$214,700 for aid for fiscal year 1986 payable in fiscal year 1986.

The appropriation for fiscal year 1987 includes \$37,900 for aid for fiscal year 1986 payable in fiscal year 1987 and \$218,800 for aid for fiscal year 1987 payable in fiscal year 1987.

The appropriations are based on aid entitlements of \$252,600 for fiscal year 1986 and \$257,400 for fiscal year 1987.

Any unexpended balance remaining from the appropriation in this subdivision for either year may be expended for special purpose capital expenditure equalization aid pursuant to section 124.245, subdivision 1a.

Subd. 12. [SPECIAL PURPOSE CAPITAL EXPENDITURE EQUALIZATION AID.] *For special purpose capital expenditure equalization aid pursuant to section 124.245, subdivision 1a, there is appropriated:*

\$45,800 1986,

\$50,800 1987.

The appropriation for fiscal year 1986 includes \$6,400 for aid for fiscal year 1985 payable in fiscal year 1986 and \$39,400 for aid for fiscal year 1986 payable in fiscal year 1986.

The appropriation for fiscal year 1987 includes \$7,000 for aid for fiscal year 1986 payable in fiscal year 1987 and \$43,800 for aid for fiscal year 1987 payable in fiscal year 1987.

The appropriations are based on aid entitlements of \$46,400 for fiscal year 1986 and \$51,500 for fiscal year 1987.

Any unexpended balance remaining from the appropriation in this subdivision for either year may be expended for capital expenditure equalization aid pursuant to section 124.245, subdivision 1.

Subd. 13. [HAZARDOUS SUBSTANCE CAPITAL EXPENDITURE EQUALIZATION AID.] *For hazardous substance capital expenditure equalization aid pursuant to section 124.245, subdivision 1c, there is appropriated:*

\$42,100 1986,

\$50,200 1987.

The appropriation for fiscal year 1986 includes \$6,200 for aid for fiscal year 1985 payable in fiscal year 1986 and \$35,900 for aid for fiscal year 1986 payable in fiscal year 1986.

The appropriation for fiscal year 1987 includes \$6,400 for aid for fiscal year 1986 payable in fiscal year 1987 and \$43,800 for aid for fiscal year 1987 payable in fiscal year 1987.

The appropriations are based on aid entitlements of \$42,300 for fiscal year 1986 and \$51,500 for fiscal year 1987.

Any unexpended balance remaining from the appropriation in this subdivision for either year may be expended for capital expenditure equalization aid pursuant to section 124.245, subdivision 1.

Subd. 14. [PRESCHOOL HEALTH SCREENING AID.] For preschool health screening aid pursuant to sections 123.701 and 123.705, there is appropriated:

\$450,000 1986,

\$450,100 1987.

The appropriation for fiscal year 1986 includes \$121,000 for aid for fiscal year 1985 payable in fiscal year 1986 and \$329,000 for aid for fiscal year 1986 payable in fiscal year 1986.

The appropriation for fiscal year 1987 includes \$58,100 for aid for fiscal year 1986 payable in fiscal year 1987 and \$392,000 for aid for fiscal year 1987 payable in fiscal year 1987.

The appropriations are based on aid entitlements of \$387,100 for fiscal year 1986 and \$461,200 for fiscal year 1987.

Subd. 15. [SECONDARY VOCATIONAL EDUCATION AID.] For secondary vocational education aid pursuant to section 124.573, there is appropriated:

\$22,174,500 1986,

\$22,796,700 1987.

The appropriation for 1986 includes \$3,422,400 for aid for fiscal year 1985 payable in fiscal year 1986. This amount also includes \$18,752,100 for aid for fiscal year 1986 payable in fiscal year 1986.

The appropriation for 1987 includes \$3,309,200 for aid for fiscal year 1986 payable in fiscal year 1987. This amount also includes \$19,487,500 for aid for fiscal year 1987 payable in fiscal year 1987.

The appropriations are based on aid entitlements of \$22,061,300 for fiscal year 1986 and \$22,926,400 for fiscal year 1987.

For the purposes of this subdivision, money appropriated for secondary vocational education programs may not be expended for the purpose of discontinuing or converting existing senior secondary industrial arts education programs.

Subd. 16. [AID FOR SECONDARY VOCATIONAL EDUCATION PROGRAMS FOR HANDICAPPED CHILDREN.] *For secondary vocational programs for handicapped children pursuant to section 124.574, there is appropriated:*

\$3,434,700 1986,

\$3,458,800 1987.

The appropriation for 1986 includes \$551,700 for aid for fiscal year 1985 payable in fiscal year 1986. This amount also includes \$2,883,000 for aid for fiscal year 1986 payable in fiscal year 1986. This appropriation is based on the assumption that the state will spend for this purpose an amount at least equal to \$230,000 in fiscal year 1986 of federal money received for vocational education programs pursuant to the Vocational Education Act of 1963, as amended.

The appropriation for 1987 includes \$508,800 for aid for fiscal year 1986 payable in fiscal year 1987. This amount also includes \$2,950,000 for aid for fiscal year 1987 payable in fiscal year 1987. This appropriation is based on the assumption that the state will spend for this purpose an amount at least equal to \$230,000 in fiscal year 1987 of federal money received for vocational education programs pursuant to the Vocational Education Act of 1963, as amended.

The appropriations are based on aid entitlements of \$3,391,800 for fiscal year 1986 and \$3,470,600 for fiscal year 1987.

Subd. 17. [INTERDISTRICT COOPERATION AID.] *For aid for interdistrict cooperation programs pursuant to section 124.272, there is appropriated:*

\$1,494,300 1986,

\$2,085,000 1987.

The appropriation for fiscal year 1986 includes \$187,100 for aid for fiscal year 1985 payable in fiscal year 1986 and \$1,307,200 for aid for fiscal year 1986 payable in fiscal year 1986.

The appropriation for fiscal year 1987 includes \$230,700 for aid for fiscal year 1986 payable in fiscal year 1987 and \$1,854,300 for aid for fiscal year 1987 payable in fiscal year 1987.

The appropriations are based on aid entitlements of \$1,537,-900 for fiscal year 1986 and \$2,181,500 for fiscal year 1987.

Subd. 18. [MAXIMUM EFFORT SCHOOL LOAN FUND.] *There is appropriated from the general fund to the maximum effort school loan fund the sum of \$2,390,300 for the fiscal year ending June 30, 1986, and \$2,585,300 for the fiscal year ending June 30, 1987. Any unexpended balance of this appropriation for fiscal year 1986 shall not cancel but shall be available for the second year of the biennium.*

These appropriations shall be placed in the loan repayment account of the maximum effort school loan fund for the payment of the principal and interest on school loan bonds, as provided in section 124.46, to the extent that money in the fund is not sufficient to pay when due the full amount of principal and interest due on school loan bonds. The purpose of these appropriations is to ensure that sufficient money is available in the fund to prevent a statewide property tax levy as would otherwise be required pursuant to section 124.46, subdivision 3. Notwithstanding section 124.39, subdivision 5, any amount of the appropriation made in this section which is not needed to pay when due the principal and interest due on school loan bonds shall not be transferred to the debt service loan account of the maximum effort school loan fund but instead shall cancel and revert to the general fund.

Subd. 19. [INDIAN EDUCATION.] *For certain Indian education programs identified in Laws 1984, chapter 463, article 6, section 13, subdivision 12, there is appropriated:*

\$24,400 1986.

The appropriation is for aid for fiscal year 1985 payable in fiscal year 1986.

Subd. 20. [JORDAN GRANT.] *There is appropriated \$36,570 for fiscal year 1986 for the purposes of section 20.*

Subd. 21. [NONCANCELLATION; FUNDING RESTRICTION.] *Any unexpended balances remaining from the appropriations in subdivision 7 for fiscal year 1986 shall not cancel but shall be available for the second year of the biennium. Notwithstanding Minnesota Statutes 1984, sections 354.43 and 354A.12, the state's obligations prescribed in Minnesota Statutes 1984, sections 354.094, 354.66, 354A.091, and 354A.094 shall not be financed out of standing appropriations for the state's obligations pursuant to Minnesota Statutes 1982, chapter 354 or 354A.*

Subd. 22. [CANCELLATION AND PRORATION.] *Except as provided in subdivision 7, any unexpended balance remaining from the appropriations in this section for 1986 shall cancel and*

shall not be available for the second year of the biennium. If the appropriation amount attributable to either year for the purpose indicated is insufficient, the aid for that year shall be prorated among all qualifying districts and the state shall not be obligated for any amount in excess of the appropriations in this section for these purposes.

Sec. 24. [APPROPRIATIONS FOR DEFICIENCIES.]

Subdivision 1. [CHEMICAL USE PROGRAMS.] There is appropriated for fiscal year 1985 the sum of \$12,825 for the payment of a deficiency in funds available for payment of chemical use program aid in that fiscal year. This sum shall be added to the sum appropriated for fiscal year 1985 for this purpose in Laws 1983, chapter 314, article 6, section 34, subdivision 13.

Subd. 2. [ABATEMENT AID.] There is appropriated from the general fund to the department of education the sum of \$1,798,453 for fiscal year 1985 for the payment of a deficiency in funds available for payment of abatement aid in that fiscal year. This sum shall be added to the sums appropriated for fiscal year 1985 for this purpose in Laws 1983, chapter 314, article 6, section 34, subdivision 3, and Laws 1984, chapter 463, article 6, section 18, subdivision 1.

Subd. 3. [CAPITAL EXPENDITURE EQUALIZATION AID.] There is appropriated from the general fund to the department of education the sum of \$18,735 for fiscal year 1985 for the payment of a deficiency in funds available for payment of capital expenditure aid in that fiscal year. This sum shall be added to the sum appropriated for fiscal year 1985 for this purpose in Laws 1983, chapter 314, article 6, section 34, subdivision 4.

Subd. 4. [SECONDARY VOCATIONAL EDUCATION AID.] There is appropriated from the general fund to the department of education the sum of \$1,105,000 for fiscal year 1985 for the payment of a deficiency in funds available for payment of secondary vocational education aid in that fiscal year. This sum shall be added to the sum appropriated for fiscal year 1985 for this purpose in Laws 1983, chapter 314, article 5, section 18, subdivision 10.

Subd. 5. [AID FOR SECONDARY VOCATIONAL EDUCATION PROGRAMS FOR HANDICAPPED CHILDREN.] There is appropriated from the general fund to the department of education the sum of \$505,543 for fiscal year 1984 and \$821,915 for fiscal year 1985 for the payment of deficiencies in funds available for payment of aid for secondary vocational education programs for handicapped children in those fiscal years. These appropriations shall be added to the sums appropriated for

fiscal years 1984 and 1985 for this purpose in Laws 1983, chapter 314, article 5, section 18, subdivision 11.

Sec. 25. [REPEALER.]

Minnesota Statutes 1984, section 125.611, subdivisions 3, 4, 5, 6, and 7 are repealed.

Sec. 26. [EFFECTIVE DATE.]

Section 24, the section containing appropriations for deficiencies, is effective the day following final enactment.

ARTICLE 7

MISCELLANEOUS

Section 1. Minnesota Statutes 1984, section 120.06, subdivision 1, is amended to read:

Subdivision 1. [AGE LIMITATIONS; PUPILS.] All schools supported in whole or in part by state funds are public schools. Admission to a public school, except an area vocational technical institute, is free to any person who resides within the district which operates the school, who is under 21 years of age, and who satisfies the minimum age requirements imposed by this section. Notwithstanding the provisions of any law to the contrary, the conduct of all students under 21 years of age attending a public secondary school shall be governed by a single set of reasonable rules and regulations promulgated by the local board of education. No person shall be admitted to any public school (AFTER SEPTEMBER 1, 1971,) (1) as a kindergarten student, unless he is at least five years of age on September 1 of the calendar year in which the school year for which he seeks admission commences; or (2) as a first grade student, unless he is at least six years of age on September 1 of the calendar year in which the school year for which he seeks admission commences or has completed kindergarten; except that any school board may establish a policy for admission of selected pupils at an earlier age.

Sec. 2. Minnesota Statutes 1984, section 120.10, subdivision 1, is amended to read:

Subdivision 1. [AGES AND TERM.] Every child between seven and 16 years of age *and every child under the age of seven who is enrolled in kindergarten or grades above* shall attend a public school, or a private school, during the entire time that the school is in session during any school year. No child shall be required to attend a public school more than 200 days or their

equivalent, during any school year. *A parent may withdraw a child under the age of seven from school at any time.*

Sec. 3. Minnesota Statutes 1984, section 120.11, is amended to read:

120.11 [SCHOOL BOARDS AND TEACHERS, DUTIES.]

It shall be the duty of each board through its clerk or other authorized agent or employee, to report the names of children (BETWEEN SIX AND 16 YEARS OF AGE) *required to attend school*, with excuses, if any, granted in such district, to the superintendent or principals thereof, within the first week of school. Subsequent excuses granted shall be forthwith reported in the same manner. The clerk or principal shall provide the teachers in the several schools under his supervision, with the necessary information for the respective grades of school, relating to the list of pupils with excuses granted. On receipt of the list of such pupils of school age and the excuses granted, the clerk or principals shall report the names of children not excused, who are not attending school, with the names and addresses of their parents, to the district superintendent within five days after receiving the report.

Sec. 4. Minnesota Statutes 1984, section 120.15, is amended to read:

120.15 [CLASSES FOR TRUANTS.]

A board may maintain ungraded classes for (THE) instruction of children (BETWEEN SEVEN AND 16 YEARS OF AGE) *who are required to attend school and who are habitually truant or not in attendance.*

All such children shall be deemed delinquent and the board may compel their attendance at such 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. [121.161] [SHARED SERVICE AGREEMENTS.]

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

Charges by the department and the other agency must be on an actual cost basis, and the receipts are dedicated to the operation

of the department or agency receiving them and are appropriated for that purpose.

Sec. 6. Minnesota Statutes 1984, section 121.912, subdivision 1, is amended to read:

Subdivision 1. [LIMITATIONS.] (a) No school district shall permanently transfer money from an operating fund to a nonoperating fund except as provided in this subdivision or section 7.

(b) 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.

(c) Permanent transfers may be made from the general fund to eliminate deficits in another fund when that other fund is being discontinued.

(d) When a district discontinues operation of a district-owned bus fleet or a substantial portion of a fleet, permanent transfers may be made from the fund balance account entitled "pupil transportation fund appropriated for bus purchases" to the capital expenditure fund, with the approval of the commissioner. The levy authorized pursuant to section 275.125, subdivision 11a, shall be reduced by an amount equal to the amount transferred.

(e) Any school district may transfer any amount from the unappropriated fund balance account in its transportation fund to any other operating fund or to the appropriated fund balance account for bus purchases in its transportation fund.

Sec. 7. [121.9121] [EXCEPTIONS FOR PERMANENT FUND TRANSFERS.]

Subdivision 1. [STATE BOARD AUTHORIZATION.] *Notwithstanding sections 123.36, subdivisions 10 and 13; 475.61, subdivision 4; or any other law, rule or UFARS standard which may prohibit permanent transfers of money between funds or accounts, the state board may authorize a board to transfer money from any fund or account to another fund or account according to this section.*

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

Subd. 3. [ADVISORY COUNCIL.] *The state board shall submit each application to the advisory council on uniform fi-*

nancial accounting and reporting standards for its recommendations. The advisory council shall develop and maintain guidelines for reviewing and approving requests.

Subd. 4. [APPROVAL STANDARD.] The state board may approve a request only when an event has occurred in a district that could not have been foreseen by the district. The event shall relate directly to the fund or account involved and to the amount to be transferred.

Subd. 5. [APPROVAL.] The state board shall use the advisory council guidelines and recommendation when it approves, disapproves, or modifies a request. It shall take action on a request within 60 days of receiving the request. If the state board action is different from the action recommended by the advisory council, the state board shall provide written reasons for the difference.

Subd. 6. [PROCEDURES.] The state board and advisory council may prepare forms and adopt procedures necessary to implement this section.

Subd. 7. [REPORT TO LEGISLATURE.] By January 15 each year the state board shall report to the education committees of the legislature about the requests for transfers, action taken for each request, and the reasons for the action. The report shall include the recommendations of the advisory council.

Sec. 8. Minnesota Statutes 1984, section 122.86, subdivision 1, is amended to read:

Subdivision 1. [CREATION.] In order to provide for comprehensive and coherent planning for the delivery of educational services pursuant to sections 122.86 to (122.89) 122.88, each educational cooperative service unit shall establish an educational planning task force. In the event an area has not established an ECSU by September 1, 1977, the commissioner shall establish a task force for that area.

Sec. 9. Minnesota Statutes 1984, section 123.36, subdivision 1, is amended to read:

Subdivision 1. When funds are available therefor, the board may locate and acquire necessary sites of school houses or enlargements, or additions to existing schoolhouse sites by lease, purchase or condemnation under the right of eminent domain; it may erect schoolhouses thereon; it may erect or purchase garages for district owned school buses. (IN ANY CITY, THE SCHOOL SITES, WHEN PRACTICABLE, SHALL CONTAIN AT LEAST ONE BLOCK AND IF OUTSIDE OF ANY CITY, TWO ACRES; AND WHEN ANY SCHOOLHOUSE SITES SHALL CONTAIN LESS THAN SUCH AMOUNT, THE

BOARD MAY ACQUIRE OTHER LAND ADJACENT TO OR NEAR SUCH SITE TO MAKE, WITH SUCH SITE, ALL OR PART OF SUCH AMOUNT.) When property is taken by eminent domain by authority of this subdivision when needed by the school district for such purposes, the fact that the property so needed has been acquired by the owner under the power of eminent domain or is already devoted to public use, shall not prevent its acquisition by the school district. The board may sell or exchange schoolhouses or sites, and execute deeds of conveyance thereof.

Sec. 10. Minnesota Statutes 1984, section 123.58, is amended by adding a subdivision to read:

Subd. 11. [ANNUAL MEETING.] Each ECSU shall conduct a meeting at least annually for districts that have entered into an agreement under section 471.59 and for districts cooperatively offering educational services to elementary and secondary pupils within the area served by the ECSU. The purpose of the meeting shall be to discuss issues of mutual concern and to facilitate coordination and cooperation in providing educational opportunities. The governing board formed under each cooperative agreement or each school board participating in a cooperative program, for programs having no governing board, shall designate at least one person to attend this meeting.

Sec. 11. Minnesota Statutes 1984, section 124.14, subdivision 4, is amended to read:

Subd. 4. A reduction of aid under this section may be appealed to the state board of education and its decision shall be final. Public schools shall at all times be open to the inspection of the state board, and the accounts and records of any district shall be open to inspection by the state auditor, the state board, or the commissioner for the purpose of audits conducted under this section. Each district shall keep for a minimum of three years at least the following: (1) identification of the annual session days held, together with a record of the length of each session day, (2) a record of each student's daily attendance, with entrance and withdrawal dates, and (3) identification of the students transported who are reported for transportation aid.

Sec. 12. Minnesota Statutes 1984, section 124.48, is amended by adding a subdivision to read:

Subd. 1a. [TASK FORCE.] The Minnesota Indian scholarship advisory task force is established. Members shall be appointed by the state board. Members shall be reimbursed for expenses as provided in section 15.059, subdivision 6. The state board shall determine the membership terms and duration of the task force. The task force shall provide advice and counsel to the state board in the awarding of scholarships to eligible Ameri-

can Indian students, and in the administration of the state board's duties regarding the awarding of American Indian post-secondary preparation grants to school districts.

Sec. 13. Minnesota Statutes 1984, section 125.05, subdivision 5, is amended to read:

Subd. 5. [PROVISIONAL LICENSES (; PROHIBITED).] (THE BOARD OF TEACHING SHALL GRANT NO NEW PROVISIONAL LICENSES BY JANUARY 15, 1984, THE STATE BOARD AND COMMISSIONER OF EDUCATION SHALL SUBMIT A REPORT TO THE EDUCATION COMMITTEES OF THE LEGISLATURE WITH RECOMMENDATIONS ON PROVISIONAL LICENSES.) *The board of teaching may grant provisional licenses, which shall be valid for two years, in fields where licenses were not issued previously, or in fields where a shortage of licensed teachers exists. A shortage shall be defined as a lack of or an inadequate supply of licensed personnel within a given licensure area in a school district that has notified the board of teaching of such a shortage and has applied to the board of teaching for provisional licenses for that district's licensed staff.*

Sec. 14. Minnesota Statutes 1984, section 125.12, is amended by adding a subdivision to read:

Subd. 2a. [EMPLOYMENT IN SUPERVISORY POSITIONS.] *Notwithstanding other law, a teacher as defined in section 179A.03 does not have a right to employment in a district as an assistant superintendent, as a principal defined in section 179A.03, as a confidential or supervisory employee defined in section 179A.03, or in a position that is a promotion from the position currently held, based on seniority, seniority date, or order of employment by the district; provided that this provision shall not alter the reinstatement rights of an individual who is placed on leave from an assistant superintendent, principal or assistant principal, or supervisory or confidential employee position pursuant to chapter 125.*

Sec. 15. Minnesota Statutes 1984, section 125.17, is amended by adding a subdivision to read:

Subd. 2a. [EMPLOYMENT IN SUPERVISORY POSITIONS.] *Notwithstanding other law, a teacher as defined in section 179A.03 does not have a right to employment in a district as an assistant superintendent, as a principal defined in section 179A.03, as a confidential or supervisory employee defined in section 179A.03, or in a position that is a promotion from the position currently held, based on seniority, seniority date, or order of employment by the district; provided that this provision shall not alter the reinstatement rights of an individual who is placed on leave from an assistant superintendent, principal or*

assistant principal, or supervisory or confidential employee position pursuant to chapter 125.

Sec. 16. Minnesota Statutes 1984, section 125.60, subdivision 3, is amended to read:

Subd. 3. [REINSTATEMENT.] Except as provided in subdivisions 6a and 6b, a teacher on an extended leave of absence pursuant to this section shall have the right to be reinstated to a position for which the teacher is licensed at the beginning of any school year which immediately follows a year of the extended leave of absence, unless the teacher *fails to give the required notice of intention to return* or is discharged or placed on unrequested leave of absence or the contract is terminated pursuant to section 125.12 or 125.17 while the teacher 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 the intention to return before February 1 in the school year preceding the school year in which the teacher wishes to return or *by February 1 in the calendar year in which the leave is scheduled to terminate*. The board shall notify the commissioner within 30 days of being notified that a teacher intends to return from an extended leave.

Sec. 17. [EXPERIMENTAL SCHOOL EXPIRATION DATE.]

Laws 1973, chapter 683, section 26, subdivision 17, as amended by Laws 1975, chapter 432, section 88, as amended by Laws 1977, chapter 447, article VII, section 28, as amended by Laws 1981, chapter 358, article VI, section 42, is amended to read:

Subd. 17. The provisions of this section shall expire July 1, (1985) 1989. At any time the experimental school may be terminated upon unanimous vote of the officers of the committee and 30 days notice to the board of District No. 309, whereupon the board of District No. 309 shall resume the care management and control of the entire district on July 1 following. Prior to December 1 of each year the committee shall submit to the legislature a report of the experimental school established by this section. Such report shall document the success or failure of the experimental school.

Sec. 18. [AUTHORIZATION OF BONDS AND TAX LEVIES.]

Subdivision 1. [AMOUNT; PROCEDURE.] *Independent school district No. 706 may issue bonds in an aggregate principal amount not exceeding \$3,225,000, in addition to any bonds already issued or authorized, to finance the acquisition and betterment of school buildings and facilities. Except as permitted by this section, the bonds shall be authorized, sold, and issued in ac-*

cordance with Minnesota Statutes, chapter 475, except that the bonds shall not constitute net debt within the meaning of Minnesota Statutes, section 475.53.

Subd. 2. [NOTICE; ELECTION.] *Prior to the issuance of the bonds, the school board shall conduct an election on the proposition of issuing the bonds authorized by this section. The bonds shall not be issued unless and until such proposition has been approved by a majority of the votes cast thereon at a regular or special election.*

Subd. 3. [LEVY.] *After the sale and before the delivery of any bonds under authority of this section, the school board shall, by resolution, levy upon all taxable property in the school district, a direct, general ad valorem tax for each year of the term of the bonds in amounts which, if collected in full and added to the minimum amounts required to be paid to the district under section 19, subdivision 1, are sufficient to pay when due the principal of and interest on the bonds. A copy of the resolution shall be filed and the taxes levied shall be collected as specified in Minnesota Statutes, section 475.61. A resolution of the board levying taxes for the payment of the bonds and interest on them as authorized by this section and pledging the proceeds of the levies for the payment of the bonds and interest on them shall be deemed to be in compliance with the provisions of Minnesota Statutes, chapter 475 with respect to the levying of taxes for their payment.*

Subd. 4. [DEFICIENCIES.] *Bonds issued under authority of this section shall be general obligations of the school district, for which its full faith and credit and unlimited taxing powers shall be pledged. If there are any deficiencies in the collections of the taxes levied pursuant to subdivision 2 or in the amounts required to be paid to the district under section 19, subdivision 1, they shall be made good by general levies, not subject to limit, on all taxable property in the district in accordance with Minnesota Statutes, section 475.74. If any deficiency levies are necessary, the school board may effect a temporary loan or loans on certificates of indebtedness issued in anticipation of them to meet payments of principal or interest on the bonds due or about to become due.*

Subd. 5. [EFFECT ON OTHER LEVIES.] *Taxes levied pursuant to this section shall be disregarded in the calculation of any other tax levies or limits on tax levies provided by other law.*

Subd. 6. [INDEBTEDNESS LIMITATIONS.] *Bonds may be issued under authority of this section notwithstanding any limitations upon the indebtedness of a district, and their amounts shall not be included in computing the indebtedness of a district for any purpose, including the issuance of subsequent bonds and the incurring of subsequent indebtedness.*

Sec. 19. [TRANSFER OF TACONITE TAXES.]

Subdivision 1. [PAYMENTS TO DISTRICT; APPROPRIATIONS.] Commencing with taxes payable in the first year after approval in an election of the issuance of the bonds authorized in section 18, the commissioner of revenue shall deduct and pay to independent school district No. 706 on or before October 1 of each year, an amount equal to 16.5 cents per gross ton of taxable iron concentrate produced or to 90 percent of the the debt service coming due on or before the second following January 1 on all bonds issued by the district pursuant to section 18, whichever is greater, from the taxes paid pursuant to sections 298.23 to 298.28 by a person, corporation, partnership, operator, joint venture, or other owner of a taconite plant and taconite properties located in the school district. The deduction shall be made from the amount which would otherwise have been distributed to northeast Minnesota economic protection fund in the apportionment fund in the state treasury under section 298.28, subdivision 1. However, the amount paid to the district each year shall not exceed the amount of the debt service coming due on or before the second following January 1 on all bonds issued by the district pursuant to section 18. Any amount by which the amount paid to the district exceeds the amount of the debt service shall be paid by the district to the northeast Minnesota economic protection fund. A sum is annually appropriated to the commissioner from the proceeds of the taxes sufficient to make the payments required by this section.

Subd. 2. [PAYMENTS WHEN PRODUCTION DECREASES OR STOPS.] If the producer described in subdivision 1 ceases operations or decreases its operations so that the amount of the deduction of 16.5 cents per gross ton of concentrate produced is insufficient to raise the minimum amount required to be paid annually under subdivision 1, then the difference between the deduction of 16.5 cents per gross ton of concentrate produced and such minimum amount shall be paid as provided in section 298.225.

Subd. 3. [DEPOSIT AND USE OF FUNDS.] The revenue received pursuant to this section by independent school district No. 706 shall be deposited in the bond redemption fund of the district and shall be used only to pay debt service on bonds issued pursuant to section 18.

Subd. 4. [TERMINATION.] The deduction and payment of taxes authorized in subdivisions 1 and 2 shall terminate upon the payment in full, or the discharge of the district's obligation to pay in full, the principal of and interest on all bonds issued pursuant to section 18.

Sec. 20. [BONDS, EVELETH SCHOOL DISTRICT.]

Subdivision 1. Independent school district No. 697, Eveleth, may issue bonds in an aggregate principal amount not exceeding \$3,385,000, in addition to any bonds already issued or authorized, to finance the acquisition and betterment of school buildings and facilities. Except as permitted by this section, the bonds shall be authorized, sold, and issued in accordance with Minnesota Statutes, chapter 475. An election is required to authorize their issuance under subdivision 2, and the bonds shall not constitute net debt within the meaning of Minnesota Statutes, section 475.53.

Subd. 2. The bonds described in subdivision 1 must not be issued unless and until the proposition of issuing the bonds has been approved by a majority of the votes cast thereon at a regular or special election. The election shall be conducted as provided in Minnesota Statutes, chapter 475, and Minnesota Statutes, section 123.32.

Subd. 3. After the sale and before the delivery of any bonds under authority of this section, the school board shall, by resolution, levy upon all taxable property in the school district, a direct, general ad valorem tax for each year of the term of the bonds in amounts which, if collected in full and added to the minimum amounts required to be paid to the district under section 21, subdivision 1, are sufficient to pay when due the principal of and interest on the bonds. A copy of the resolution shall be filed and the taxes levied shall be collected as specified in Minnesota Statutes, section 475.61. A resolution of the board levying taxes for the payment of the bonds and interest on them as authorized by this section and pledging the proceeds of the levies for the payment of the bonds and interest on them shall be deemed to be in compliance with the provisions of Minnesota Statutes, chapter 475, with respect to the levying of taxes for their payment.

Subd. 4. Bonds issued under authority of this section shall be general obligations of the school district, for which its full faith and credit and unlimited taxing powers shall be pledged. If there are any deficiencies in the collections of the taxes levied pursuant to subdivision 3 or in the amounts required to be paid to the district under section 21, subdivision 1, they shall be made good by general levies, not subject to limit, on all taxable property in the district in accordance with Minnesota Statutes, section 475.74. If any deficiency levies are necessary, the school board may effect a temporary loan or loans on certificates of indebtedness issued in anticipation of them to meet payments of principal or interest on the bonds due or about to become due.

Subd. 5. Taxes levied pursuant to this section shall be disregarded in the calculation of any other tax levies or limits on tax levies provided by other law.

Subd. 6. Bonds may be issued under authority of this section notwithstanding any limitations upon the indebtedness of a

district, and their amounts shall not be included in computing the indebtedness of a district for any purpose, including the issuance of subsequent bonds and the incurring of subsequent indebtedness.

Sec. 21. [TRANSFER OF TACONITE TAXES.]

Subdivision 1. Commencing with taxes payable in 1986, the commissioner of revenue shall deduct and pay to independent school district No. 697 on or before October 1 of each year, an amount equal to 90 percent of the debt service coming due on or before the second following January 1 on all bonds issued by the district pursuant to section 20, or 16 cents per gross ton of taxable iron concentrate produced from the taxes paid pursuant to Minnesota Statutes, sections 298.23 to 298.28 by a person, corporation, partnership, operator, joint venture, or other owner of a taconite plant and taconite properties located in the school district. The deduction shall be made from the amount which would otherwise have been distributed to the northeast Minnesota economic protection fund in the apportionment fund in the state treasury under Minnesota Statutes, section 298.28, subdivision 1. A sum is annually appropriated to the commissioner from the proceeds of the taxes sufficient to make the payments required by this section. However, if the district selects to pay their ten percent share from funds on hand, then not less than 100 percent of the debt service requirements will be transferred. In no event shall more than the actual annual debt service requirement be transferred. In any year if more than the actual debt service requirement is paid to the district, the amount by which the payment to the district exceeds the debt service requirement shall be paid by the district to the northeast Minnesota economic protection fund.

Subd. 2. If the producer described in subdivision 1 ceases operations or decreases its operations so that the amount of the deduction of 16 cents per gross ton of concentrate produced is insufficient to raise the minimum amount required to be paid annually under subdivision 1, then the difference between the deduction of 16 cents per gross ton of concentrate produced and such minimum amount shall be paid as provided in Minnesota Statutes, section 298.225.

Subd. 3. The revenue received pursuant to this section by independent school district No. 697, Eveleth, shall be deposited in the bond redemption fund of the district and shall be used only to pay debt service on bonds issued pursuant to section 20.

Subd. 4. The deduction and payment of taxes authorized in subdivisions 1 and 2 shall terminate upon the payment in full, or the discharge of the district's obligation to pay in full, the principal of and interest on all bonds issued pursuant to section 1.

Sec. 22. [K-3 CLASS SIZE STUDY.]

The department of education shall conduct a study on reducing certain class sizes of grades kindergarten through three to a ratio of 15 to 1 in Minnesota. The study shall address at least the following: determination of the number of teachers which would be required to reduce class sizes to a ratio of 15 students to one teacher in those grades in the areas of reading, writing, and mathematics; examining the feasibility of individual school districts to reduce class sizes to a ratio of 15 students to one teacher; and evaluating the existing research on the impact of reducing class sizes.

Sec. 23. [REPEALER.]

Minnesota Statutes 1984, sections 122.84, 122.85, and 122.89 are repealed.

Sec. 24. [EFFECTIVE DATE.]

Subdivision 1. Sections 6 and 7 are effective the day following final enactment.

Subd. 2. Sections 18 and 19 are effective the day after the school board of independent school district No. 706 complies with Minnesota Statutes, section 645.021, subdivision 3.

Subd. 3. Sections 20 and 21 are effective the day after the school board complies with Minnesota Statutes, section 645.021, subdivision 3.

ARTICLE 8

EDUCATIONAL IMPROVEMENT

Section 1. [121.509] [POLICY.]

It is the intent of the legislature that proficiency assessments required by sections 1 to 9 measure the progress of each pupil in mastering basic skills rather than the pupil's performance relative to the pupil's classmates. Proficiency assessments shall be used to determine whether pupils need assistance to master basic skills, and if so, the appropriate content and mode of the assistance. To use these proficiency assessments effectively, the school districts are encouraged to assess their pupils early in the school year.

Sec. 2. [121.510] [ADOPTION OF PROFICIENCY STANDARDS.]

Subdivision 1. The board of each school district shall adopt standards of proficiency in basic skills for pupils attending school

within its school district. Standards shall be adopted for reading comprehension, writing, and computation skills, in the English language, and other skills, if any, which the board concludes are necessary to succeed in school and life experiences. The standards will permit individual achievement to be ascertained and evaluated and shall be directly related to the district's instructional program.

Subd. 2. The school board shall invite parents, administrators, teachers, counselors, and, with respect to secondary schools, pupils to participate in the consideration of the standards of proficiency to be adopted.

Subd. 3. The standards shall be adopted: by January 1, 1987, for grades 9 through 12; by June 30, 1987, for grades 6 through 8; and by January 1, 1988, for grades 2 through 5. Proficiency assessments based on these standards shall begin in the school year following adoption.

Sec. 3. [121.511] [SEPARATE STANDARDS.]

Separate standards of proficiency shall be established for reading comprehension, writing, computation skills, and each additional skill which a school board designates. A separate assessment shall be made of the pupil's proficiency in each skill.

Sec. 4. [121.512] [ASSESSMENT MATERIALS.]

For students with diagnosed learning disabilities, as well as for students participating in the regular school program, proficiency assessments may be part of the classroom experience, and teaching materials may be used as assessment materials.

The school board shall periodically screen the assessment materials for racial, cultural, and sexual bias.

Sec. 5. [121.513] [ASSESSMENT SCHEDULE.]

Progress toward proficiency in basic skills shall be assessed in the English language during the regular instructional program at least once during the 2nd through 5th grades, once during the 6th through 8th grades, and twice during the 9th through 12th grades.

Sec. 6. [121.514] [REMEDATION; PARENT CONFERENCE.]

Subdivision 1. Additional instruction shall be provided to a pupil who does not demonstrate sufficient progress toward the mastery of any of the basic skills. The additional instruction shall continue until the pupil attains the proficiency standards or is no

longer enrolled in school. The instruction may be provided in summer school programs.

Subd. 2. (a) *If a pupil does not demonstrate sufficient progress toward mastery of basic skills and will not be able to attain the prescribed standards upon exit from the 5th, 8th, or 12th grade, whichever is applicable, the principal shall arrange a conference among the parent or guardian of the pupil and a licensed employee familiar with the pupil's progress to discuss the results of the proficiency assessment and recommend actions to further the pupil's progress.*

(b) *The conference to discuss the results of the assessment may be conducted on an individual or group basis among the parents or guardians of the pupils, the licensed employees, and the pupils. If the conference is conducted on a group basis, a pupil or the parent or guardian may request, and shall be granted, a conference on an individual basis without having to attend the group conference.*

(c) *A secondary pupil shall attend the conference. An elementary pupil shall attend the conference unless the principal and the parent or guardian agree that the pupil's presence would not be in the pupil's best interest.*

(d) *The pupil and the parent or guardian shall be requested in writing to attend the conference. The notice shall be written in the primary language of the parent or guardian whenever practicable. If the conference is to be conducted on a group basis, the notice shall specify the right of the pupil or the parent or guardian to request and be granted a conference on an individual basis without having to attend the group conference.*

(e) *At the conference, the instructional program which shall be provided to assist the pupil to master basic skills shall be described. If the parent or guardian does not attend the conference, this information shall be communicated to the parent or guardian by other means within ten days of the date of the conference.*

Sec. 7. [121.515]

If a pupil of limited English proficiency, as determined under section 126.262, subdivision 2, does not possess sufficient English language skills to be fairly assessed for basic skills proficiency in the English language, the district shall defer the assessment. The deferment shall be for a period of at least six months but shall not be longer than 24 months. During the deferment period the pupil shall complete at least six months of instruction in reading, writing, and comprehension in the English language.

However, a pupil of limited English proficiency shall be assessed for basic skills in the English language upon the pupil's own request or upon the request of the pupil's parent or guardian.

Nothing in this section shall preclude a district from conducting an assessment of a pupil in both English and in the native language of the pupil.

Sec. 8. [121.516] [DIFFERENTIAL STANDARDS FOR LEARNING DISABLED STUDENTS.]

Subdivision 1. Differential standards and assessment procedures may be adopted for pupils who:

(a) are enrolled in special education programs and for whom individualized education programs have been developed under section 120.17, and

(b) have diagnosed learning handicaps or disabilities.

Subd. 2. If an individualized education team determines that a pupil does not demonstrate evidence of the ability to attain the district's regular proficiency standards with available and appropriate education services and support, the team shall develop differential proficiency standards, or modify general differential standards adopted by the board, appropriate to the needs and potential of the pupil.

Subd. 3. The determination and the development of differential proficiency standards shall be part of the process of developing, reviewing, and revising a pupil's individualized education program.

Subd. 4. If one or more differential standards are developed for a pupil enrolled in special education, the standards may be maintained throughout the pupil's school experience, whether or not the pupil continues to be enrolled in special education.

Subd. 5. Differential standards and assessment procedures adopted under this section shall permit the pupil for whom they are adopted to attain the standards within the time the state is required by state or federal law to provide an education to the pupil.

Subd. 6. Nothing in this subdivision shall be construed to require differential proficiency standards for a pupil that a team determines can attain the district's regular proficiency standards with appropriate and available educational services and support.

Sec. 9. [121.517] [ASSESSMENT FRAMEWORK; STATE BOARD OF EDUCATION.]

Subdivision 1. The state board of education shall prepare and distribute to all school districts a framework for assessing pupil proficiency in reading comprehension, writing, and computation

skills. The framework shall include a range of assessment items in each skill area. The assessment framework shall be provided solely to assist each school district in the development of its own pupil assessments as required by section 3.

Subd. 2. The framework shall be distributed by: September 1, 1986, for assessments of students in the 9th through 12th grades; January 1, 1987, for assessments of students in the 6th through 8th grades; and July 1, 1987, for assessments of students in the 2nd through 5th grades.

Subd. 3. Nothing in this section shall be construed to authorize or permit the state board of education to adopt statewide minimum proficiency standards for high school graduation or for any other purpose.

Sec. 10. Minnesota Statutes 1984, section 123.7431, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY.] Each school district which completes the planning, evaluation, and reporting process pursuant to the requirements of sections 123.741 and 123.742 and which receives approval from the commissioner of education is eligible to receive state aid. An eligible school district shall receive \$1 times average daily membership for the (APPLICABLE) 1984-1985 school year (.), and no district which is eligible for aid shall receive less than \$1,500 for that year.

An eligible district shall receive \$1.04 times average daily membership for the 1985-1986 school year, and no district which is eligible for aid shall receive less than \$1,560 for that year. An eligible district shall receive \$1.08 times average daily membership for the 1986-1987 school year, and no district which is eligible for aid shall receive less than \$1,620 for that year.

Sec. 11. Minnesota Statutes 1984, section 124.19, subdivision 1, is amended to read:

Subdivision 1. [INSTRUCTIONAL TIME.] Every district which receives special state aid shall maintain school in session (OR), provide instruction in other districts, in state university laboratory school or in the university laboratory school, or provide staff development opportunities for at least 175 days, not including summer school, or the equivalent in a district operating a flexible school year program. Pupil instruction shall be conducted at least 170 out of the 175 days. The remaining five days shall be used for parent-teacher conferences, teachers' workshops, staff development, or additional pupil instruction. For kindergarten classes, up to ten days out of the 175 may be devoted to parent-teacher conferences, teachers' workshops, staff development, or additional pupil instruction as part of the required minimum number of days. In both cases, up to three days

of the state aid may be used to provide teachers' access to small group or individual staff development activities during released time or nonschool days. A district which holds school for the required minimum number of days and is otherwise qualified is entitled to special state aid as provided by law. If school is not held for the required minimum number of days, 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 foundation aid formula allowance times its pupil units for that year. However, districts maintaining school for fewer than the required minimum number of days do not lose special state aid, if the circumstances causing loss of school days below the required minimum number of days are beyond the control of the board and, if proper evidence is submitted and a good faith attempt made to make up time lost due to these circumstances. The loss of school days resulting from a lawful employee strike shall not be considered a circumstance beyond the control of the board. 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. (NOT MORE THAN FIVE DAYS MAY BE DEVOTED TO PARENT-TEACHER CONFERENCES OR TEACHERS' WORKSHOPS AS PART OF THE REQUIRED MINIMUM NUMBER OF DAYS, EXCEPT THAT, FOR KINDERGARTEN CLASSES, NOT MORE THAN TEN DAYS MAY BE DEVOTED TO PARENT-TEACHER CONFERENCES OR TEACHERS' WORKSHOPS AS PART OF THE REQUIRED MINIMUM NUMBER OF DAYS.)

Sec. 12. Minnesota Statutes 1984, section 124.195, subdivision 9, is amended to read:

Subd. 9. [PAYMENT PERCENTAGE FOR CERTAIN AIDS.] The following aids shall be paid at 100 percent of the entitlement for the current fiscal year: school lunch aid, according to section 124.646; hearing impaired support services aid, according to section 121.201; *aid for excellence in teaching and curriculum, according to section 14 of this article; handicapped adult programs aid, according to article 4, section 7; interdistrict transportation aid, according to section 126.62, subdivision 6; and educational improvement aids, according to (SECTIONS 121.601, 129B.33, 129B.34, AND) section 129B.36.*

Sec. 13. [124.248] [EDUCATIONAL IMPROVEMENT.]

Subdivision 1. [PROGRAMS.] Aid for educational improvement programs shall be paid as provided in this section. The proceeds of this aid and the levy authorized by section 275.125, subdivision 7f, may be used for expenditures for staff development, curriculum development, parent or community involvement, experimental educational delivery systems, and other measures designed to improve education in the district.

Subd. 2. [REVENUE.] A district's educational improvement revenue allowance shall be an amount equal to the product of 0.005, times the number of actual pupil units in the district, times the foundation aid formula allowance as defined in section 124A.02.

Subd. 3. [AID.] In fiscal year 1987 and each year thereafter, a district shall receive educational improvement aid equal to the difference between:

(1) the product of

(a) the ratio of the district's actual levy to its permitted levy, pursuant to section 275.125, subdivision 7f; times

(b) the district's educational improvement revenue allowance; and

(2) the levy certified by the district pursuant to section 275.125, subdivision 7f.

Sec. 14. [124.253] [AID FOR EXCELLENCE IN TEACHING AND CURRICULUM.]

Subdivision 1. [MAXIMUM REVENUE.] The maximum revenue a district may receive for an excellence in teaching and curriculum program is \$125 times the number of full-time equivalent licensed staff, including teaching, supervisory, and support staff, in the district's elementary and secondary programs in that school year. No district shall receive less than \$3,000. For a district that does not have contracts executed according to section 21, the maximum revenue is reduced by 40 percent. For districts that have entered into contracts according to section 21, the 40 percent portion of the maximum revenue shall not exceed the cost of the contracts.

Subd. 2. [AID.] An eligible district shall receive aid equal to:

(1) the difference between the maximum revenue, according to subdivision 1, and the permitted levy attributable to the same school year, according to section 275.125, subdivision 8c; times

(2) the ratio of the district's actual levy to its permitted levy.

Subd. 3. [USE OF REVENUE.] The proceeds of the aid authorized by this section and the levy authorized by section 275.125, subdivision 8c, shall be used only for an excellence in teaching and curriculum program and shall be used only in the proportions set forth in section 18.

Sec. 15. [124.275] [ARTS EDUCATION AID.]

Subdivision 1. [PURPOSES.] Each school district shall receive arts education aid for arts education programs such as creative dramatics, dance, creative writing, music, visual arts, and film and video arts. Districts are encouraged to offer co-operative programs and share staff with other districts when appropriate to maximize the use of the aid.

Subd. 2. [GUIDELINES.] Each district may determine how to use its arts education aid. A district is encouraged to use the following guidelines in the order listed:

(1) develop a long-range, comprehensive arts education plan, develop an arts curriculum, and implement arts programs for grades kindergarten through six;

(2) provide professional development for teachers to increase their arts skill level and to enable them to provide improved opportunities for pupils to learn in, about, and through the arts; and

(3) provide arts enrichment activities for pupils in grades kindergarten through six.

(4) increase the number of elementary arts teachers, with a goal of at least one full-time art teacher and one full-time music teacher for 400 pupils in grades kindergarten to six;

Subd. 3. [AID AMOUNT.] Arts education aid shall equal the greater of: \$2.40 times the number of pupils in grades kindergarten to six in average daily membership in the district, or \$500.

Sec. 16. Minnesota Statutes 1984, section 125.05, subdivision 1, is amended to read:

Subdivision 1. [QUALIFICATIONS.] The authority to license teachers as defined in section 125.03 is vested in the board of teaching except that the authority to license supervisory and support personnel is vested in the state board of education. Licenses shall be issued to such persons as the board of teaching or the state board of education finds to be competent for their respective positions. Qualifications of teachers and other professional employees except supervisory and support personnel shall be determined by the board of teaching under the rules which it promulgates. When legislation requires teachers to have taken certain courses or preparation, the board of teaching shall establish in its rules whether such courses shall be taken before obtaining an initial license or may be taken as in-service education. By July 1, 1987, the board of teaching shall adopt and field test a plan to assess subject knowledge in the teaching fields of candidates for initial licensure. By July 1, 1987, the board of teaching

shall also develop and field test a plan to evaluate the teaching skills of beginning teachers prior to granting continuing licensure. Licenses under the jurisdiction of the board of teaching shall be issued through the licensing section of the department of education. Licenses under the jurisdiction of the state board of education shall be issued through the licensing section of the department of education.

Sec. 17. Minnesota Statutes 1984, section 125.185, subdivision 4, is amended to read:

Subd. 4. The board shall develop and create rules for the licensure of public school teachers and interns, and from time to time it shall revise or supplement the rules for licensure of public school teachers subject to the provisions of chapter 14. It shall be the duty of the board to establish rules for the approval of teacher education programs; provided these rules shall encourage teacher educators to obtain periodic classroom teaching experience. *In establishing the rules for teacher education program approval, the board shall consider the policy recommendations of a special task force to be convened in cooperation with the higher education coordinating board.* The board shall also grant licenses to interns and to candidates for original licenses and receive rec-who qualify according to requirements established by the board, for the renewal of teaching licenses, grant life licenses to those who qualify according to requirements established by the board, and suspend or revoke licenses pursuant to sections 125.09 and 214.10. Notwithstanding any law or rule to the contrary, the board shall not establish any expiration date for application for life licenses. With regard to vocational education teachers the board of teaching shall adopt and maintain as its rules the rules of the state board of education and the state board of vocational technical education.

Sec. 18. [126.56] [SUMMER SCHOLARSHIPS FOR ACADEMIC ENRICHMENT.]

Subdivision 1. [ESTABLISHMENT.] A scholarship program is established to enable secondary pupils to attend summer programs sponsored by post-secondary institutions.

Subd. 2. [ELIGIBLE PUPILS.] To be eligible for a scholarship, a pupil shall meet all of the following:

- (1) is a resident of Minnesota;*
- (2) attends an eligible program;*
- (3) has completed grades 7 through 11;*
- (4) demonstrates leadership or involvement in the community;*

(5) *has earned at least a B average during the semester or quarter prior to application, or ranked in the upper one-third of the class for the school year prior to application, as applicable; and*

(6) *demonstrates need for financial assistance.*

Subd. 3. [FINANCIAL NEED.] Need for financial assistance shall be based on family income, family size, and special necessary expenditures of the family. The need shall also be directly related to the actual charges made by the institution sponsoring the summer program. The higher education coordinating board shall determine the financial need of each pupil and shall award scholarships within the limits of the appropriation for this section. If the amount appropriated is insufficient to make a full award to each applicant, the board shall allocate the amount appropriated in the manner it determines.

Subd. 4. [ELIGIBLE PROGRAMS.] A scholarship may be used only for an eligible program. Each program shall be approved by the state board of education and the higher education coordinating board. A program shall be sponsored by a post-secondary institution that (a) is accredited by the north central association of colleges, (b) offers at least an associate or baccalaureate degree program approved under section 136A.65, subdivision 1, and (c) is located in Minnesota.

It shall provide academic instruction in curricular areas such as communications, humanities, social studies, social science, science, mathematics, art, or foreign language. The program shall not be offered for credit to post-secondary students. It shall not provide remedial instruction enabling a pupil to achieve at the pupil's grade level or enabling a pupil to achieve skills needed for entry into a post-secondary program. The program shall not have as its primary emphasis athletic skills, recreation, physical education, crafts, hobbies, or leisure activities. The program shall not contain any religious activities of any nature. Additional requirements for eligibility may be established by the state board of education and the higher education coordinating board.

Subd. 5. [ADVISORY COMMITTEE.] An advisory committee of 11 members shall assist the academic excellence foundation, state board of education, and higher education coordinating board in planning, implementing, and evaluating the scholarship program. The committee shall consist of the executive director of the higher education coordinating board or a representative, the commissioner of education or a representative, two secondary school administrators and two secondary teachers appointed by the commissioner of education, the executive director of the academic excellence foundation, a private college representative appointed by the president of the Minnesota private college

council, a community college representative appointed by the community college chancellor, a state university representative appointed by the state university chancellor, and a University of Minnesota representative appointed by the president of the University of Minnesota.

Subd. 6. [INFORMATION.] The academic excellence foundation shall assemble and distribute information about scholarships and eligible programs.

Subd. 7. [ADMINISTRATION.] The state board of education and the higher education coordinating board shall determine the time and manner for scholarship applications, awards, and program approval.

Subd. 8. [EXEMPTION FROM RULEMAKING.] Sections 14.01 to 14.47 shall not apply to the provisions of this section.

Sec. 19. [126.70] [PLANNING FOR EXCELLENCE IN TEACHING AND CURRICULUM.]

Subdivision 1. [DEVELOPMENT OF PLAN.] Each school district is encouraged to develop and adopt a written comprehensive plan for excellence in teaching and curriculum. The plan shall be prepared in consultation with the curriculum advisory committee appointed according to section 123.741, subdivision 3. The district plan shall be submitted to the department of education for approval.

Subd. 2. [CONTENTS OF THE PLAN.] The plan shall include:

(1) whether the school board intends to offer contracts under the excellence in teaching program;

(2) procedures the district will use to analyze and identify teaching and curricular needs;

(3) short-term and long-term needs for identified areas of need;

(4) integration with in-service and curricular efforts already in progress;

(5) integration of areas listed under section 20, subdivision 2;

(6) goals to be achieved and the means to be used; and

(7) procedures for evaluating progress.

Subd. 3. [MODEL PLANS.] In consultation with the instructional effectiveness advisory task force, advisory committee on technology in education, educational cooperative service units, and other appropriate agencies, the department of education shall develop model plans by August 31, 1985, for districts to use in developing their plans.

Sec. 20. [126.71] [EXCELLENCE IN TEACHING AND CURRICULUM.]

Subdivision 1. [ELIGIBILITY.] Each district that has an approved plan for excellence in teaching and curriculum is eligible for the revenue described in section 14.

Subd. 2. [USE OF REVENUE.] Sixty percent of the revenue for excellence in teaching and curriculum shall be used for at least two of the following purposes:

(1) to provide instructional effectiveness education according to section 121.609;

(2) to provide in-service education for elementary and secondary teachers to improve the use of technology in education;

(3) to provide subject area in-service education emphasizing the academic content of curricular areas determined by the district to be a priority area;

(4) to increase the involvement of parents, business, and the community in education;

(5) for experimental delivery systems;

(6) for in-service education to increase the effectiveness of principals and administrators;

(7) for in-service education or curriculum development for programs for gifted and talented pupils;

(8) for in-service education or curriculum development for cooperative efforts to increase curriculum offerings, as set forth in section 124.272; or

(9) for improving curriculum, according to the needs identified under the planning, evaluation, and reporting process set forth in section 123.741.

The revenue shall not be used to provide direct instruction to pupils.

Subd. 3. [ADDITIONAL USE OF REVENUE.] Forty per cent of the revenue for excellence in teaching and curriculum shall be used for contracts for the excellence in teaching program.

Sec. 21. [126.72] [EXCELLENCE IN TEACHING PROGRAM.]

Subdivision 1. [AUTHORIZATION.] As part of a program for excellence in teaching and curriculum, a school board may use up to 40 percent of the revenue for excellence in teaching and curriculum for short-term, limited contracts with classroom teachers employed by the district.

Subd. 2. [PURPOSE.] The school board shall determine the needs of its classroom teachers and the need for changes in its curriculum. In determining these needs, the school board shall obtain the recommendations from classroom teachers, staff responsible for curriculum, and the curriculum advisory committee. It shall consider assessment results, other test results, and the district improvement plan portion of the report adopted according to section 123.741, subdivision 6. Contracts executed under this section shall relate directly to the identified needs.

Subd. 3. [SELECTION COMMITTEE.] A committee of six members appointed by the school board shall recommend teachers to receive contracts. Three members of the committee shall be classroom teachers. Three members shall be administrators, parents, members of the school board, or members of the community. The committee shall consider only classroom teachers who have background, knowledge, or expertise needed to perform duties in the areas of need identified by the school board. Years of service in the district shall not be a factor for consideration by the committee. No teacher shall have a right to a contract under this section based on seniority or order of employment in the district. The committee shall recommend to the school board names of individual teachers. The number of individual teachers recommended shall be approximately the number designated by the school board to meet the identified needs. The school board may award contracts to any of the recommended teachers but not to any others. The board may request the committee to recommend additional names of teachers.

Subd. 4. [SHORT-TERM, LIMITED CONTRACTS.] Contracts executed under this section shall provide classroom teachers any one or a combination of the following:

- (1) released time during the school day;*
- (2) additional hours in a school day; or*
- (3) additional days or weeks of employment during the summer.*

Contracts executed under this section shall terminate within one year of the date of execution. During the term of a contract under this section a teacher may be discharged for cause from duties under this contract; a hearing shall be held on the discharge upon request of the teacher. A teacher has no rights in a subsequent year to a contract under this subdivision.

Subd. 5. [APPLICATION OF OTHER LAWS.] *Section 125.12 or 125.17 shall not apply to the initial award, the renewal, or the termination of contracts under this section. The provisions of this section concerning short-term, limited contracts shall not be construed to alter any aspect of other contracts executed by a school board.*

Subd. 6. [ELIGIBILITY FOR REVENUE.] *To be eligible for the excellence in teaching portion of revenue under section 14, the district shall file with the department of education a statement signed by the chair of the school board verifying that contracts under this section will be awarded. The statement shall indicate the number of contracts, whether duties are performed before, during, or after the school day or during the summer, the total cost of all contracts, and a general description of the duties. The statement shall also describe how the recommendations required by subdivision 2 were obtained. Any problems associated with implementing this section may be included.*

Sec. 22. Minnesota Statutes 1984, section 129B.17, is amended to read:

129B.17 [(AUTHORIZATION) COMPREHENSIVE ARTS PLANNING PROGRAM.]

The department of education shall prescribe the form and manner of application (FOR RECIPIENTS OF) by school districts to be designated as a site to participate in the comprehensive arts (IN EDUCATION) planning (GRANTS) program. Up to 30 sites may be selected. The (STATE BOARD) department of education shall (AWARD GRANTS) designate sites in consultation with the Minnesota alliance for arts in education and the Minnesota state arts board.

Sec. 23. Minnesota Statutes 1984, section 129B.20, is amended to read:

129B.20 [(CRITERIA FOR GRANT APPROVAL) COMPREHENSIVE ARTS PLANNING PROGRAM SITES.]

Subdivision 1. [FUNDING.] *(UP TO 30 GRANTS OF \$1,000 EACH MAY BE APPROVED FOR PROGRAMS WHICH INCLUDE:) Each site shall receive \$1,250 each year for two years. Before receiving money for the second year, a long-range plan for arts education must be submitted to the department.*

Subd. 2. [CRITERIA.] The department of education, in consultation with the Minnesota alliance for arts in education, shall establish criteria for site selection. Criteria shall include at least the following:

(1) (A NEEDS ASSESSMENT OF ARTS EDUCATION AND PLANNING IN THE SCHOOL DISTRICT) *a willingness by the district to designate a program chair for comprehensive arts planning with sufficient authority to implement the program;*

(2) (CREATION OF A COMMUNITY BASED ARTS EDUCATION TEAM OF EIGHT INDIVIDUALS FROM THE) *a willingness by the district to create a committee comprised of school district and (THE) community people whose function (WILL BE) is to promote comprehensive arts education in the (SCHOOL) district;*

(3) (PARTICIPATION BY) *commitment on the part of committee members (OF THE ARTS EDUCATION TEAM) to participate in training offered by the department of education; (AND)*

(4) (ESTABLISHMENT OF AN EVALUATION COMPONENT) *a commitment by the committee to conduct a needs assessment of arts education;*

(5) *commitment by the committee to evaluate its involvement in the program;*

(6) *a willingness by the district to adopt a long-range plan for arts education in the district;*

(7) *no previous involvement of the district in the comprehensive arts planning program; and*

(8) *location of the district to assure representation of urban, suburban, and rural districts and distribution of sites throughout the states.*

Subd. 3. [PROGRAM ACCOUNTS.] A district receiving funds shall maintain a separate account for the receipt and disbursement of all funds relating to the program. The funds shall be spent only for the purpose of arts education programs, including teacher release time.

Subd. 4. [ADDITIONAL FUNDING.] A district receiving funds may receive funds for the program from private sources and from other governmental agencies, including any state or federal funds available for arts education.

Sec. 24. Minnesota Statutes 1984, section 129B.21, is amended to read:

129B.21 [DEPARTMENT RESPONSIBILITY.]

The department of education, *in cooperation with the Minnesota alliance for arts in education and the Minnesota state arts board*, shall (:)

((1)) provide *materials*, training, and assistance to the arts education (TEAMS) *committees* in the school districts (;)

((2)) PROVIDE CONSULTATION AND TECHNICAL ASSISTANCE TO DISTRICTS WHICH RECEIVE ARTS IN EDUCATION PLANNING GRANTS; AND)

((3)) SUBMIT A REPORT TO THE EDUCATION COMMITTEES OF THE SENATE AND HOUSE OF REPRESENTATIVES BY JANUARY 1, 1985. THE REPORT SHALL INCLUDE THE STATUS AND IMPLEMENTATION OF COMPREHENSIVE ARTS IN EDUCATION PLANNING GRANTS AND THE DEPARTMENT'S PLANS TO PROMOTE ARTS EDUCATION IN THE SCHOOLS). *The department may contract with the Minnesota alliance for arts in education for its involvement in providing services, including staff assistance, to the program.*

Sec. 25. Minnesota Statutes 1984, section 129B.35, is amended to read:

129B.35 [REGIONAL COORDINATORS.]

The (MINNESOTA EDUCATIONAL COMPUTING CONSORTIUM) *department of education* shall contract to provide regional instructional computing coordinators with expertise in the use of technology in education. The (MINNESOTA EDUCATIONAL COMPUTING CONSORTIUM AND THE) department (OF EDUCATION) *and school districts within an ECSU region* shall agree on the services to be provided by the regional coordinators. Among other responsibilities, the regional coordinators shall serve as on-site consultants to districts (PARTICIPATING IN) *attempting to implement recently approved* technology utilization (PLANNING) *plans* and in-service training.

Sec. 26. Minnesota Statutes 1984, section 129B.36, is amended to read:

129B.36 [TECHNOLOGY DEMONSTRATION SITES.]

Subdivision 1. [SITE DESIGNATION.] By (JANUARY 15, 1984) *July 1, 1985*, the (STATE BOARD) *commissioner*, in

consultation with the advisory committee, shall (DESIGNATE FROM EIGHT TO TEN DISTRICTS AS) determine the level of funding for the existing technology demonstration sites (AND AWARD EACH DISTRICT A GRANT FOR USE DURING THE 1983-1984 AND 1984-1985 SCHOOL YEARS) which are eligible for continuation grants for use during the 1985-1986 and 1986-1987 school years. Grantees must continue matching the grant award in the manner agreed for the previous biennium.

Subd. 2. ([CRITERIA FOR SELECTION.] IN CONSULTATION WITH THE DEPARTMENT OF EDUCATION, APPROPRIATE REGIONAL MANAGEMENT INFORMATION CENTERS, AND THE MINNESOTA EDUCATIONAL COMPUTING CONSORTIUM, THE ADVISORY COMMITTEE SHALL DEVELOP SELECTION CRITERIA FOR REVIEW BY THE STATE BOARD. THE STATE BOARD SHALL ESTABLISH SELECTION CRITERIA TO BE DISTRIBUTED TO DISTRICTS BY OCTOBER 1, 1983. CRITERIA SHALL INCLUDE AT LEAST THE FOLLOWING:)

((A) EXEMPLARY PROGRAM OF TECHNOLOGY UTILIZATION EXISTING IN THE DISTRICT;)

((B) EVIDENCE OF WILLINGNESS BY DISTRICT STAFF AND THE COMMUNITY TO INCORPORATE TECHNOLOGY FULLY INTO THE CURRICULUM TO DEMONSTRATE NEW INSTRUCTIONAL METHODS;)

((C) WILLINGNESS TO MATCH THE GRANT AWARDED TO THE DISTRICT; AND)

((D) WILLINGNESS TO SHARE EDUCATIONAL EXPERIENCES WITH OTHER INTERESTED PARTIES.)

(FOR TWO OF THE SITES, CRITERIA MAY INCLUDE PARTICIPATION OF MINNESOTA HIGH TECHNOLOGY BUSINESS OR INDUSTRY. CLAUSE (A) MAY BE EXCLUDED AS A FACTOR IN SELECTION OF THE TWO SITES, ONE OF WHICH MAY BE A RURAL DISTRICT.)

(SUBD. 3. [SITES THROUGHOUT THE STATE.] TO THE EXTENT POSSIBLE, THE SELECTED SITES SHALL BE GEOGRAPHICALLY WELL DISTRIBUTED WITH REPRESENTATION FROM URBAN, SUBURBAN, AND RURAL AREAS.)

(SUBD. 4.) [GRANT AWARDS.] Applications for grants shall be submitted to the (STATE BOARD) *commissioner* by (DECEMBER 1, 1983) *August 1, 1985* in the form and manner prescribed by the department. Grants shall be awarded by (JANUARY 15, 1984) *September 1, 1985*.

Subd. (5) 3. [RECIPIENT DUTIES AND USE OF MONEY.] A district selected for a grant shall work cooperatively with the advisory committee, department of education, (MINNESOTA EDUCATIONAL COMPUTING CONSORTIUM,) higher education institutions in the area, and business and industry, as appropriate. (A DISTRICT SELECTED FOR A GRANT SHALL HAVE A TECHNOLOGY UTILIZATION PLAN ACCORDING TO SECTION 129B.33.) The district shall conduct at least (ONE WORKSHOP) *four workshops* each school year of the grant to demonstrate to other districts and interested parties its use of technology in education. Grant money may be used for equipment, consultants, curriculum development, and teacher training.

Subd. (6) 4. [PRIVATE FUNDING.] The advisory committee shall seek funding and in-kind contributions from private sources to supplement state money for the purpose of awarding grants. Private contributions may be made directly to the technology demonstration sites.

Subd. (7) 5. [EVALUATION OF SITES.] The advisory committee shall evaluate the technology demonstration sites. It may contract with independent evaluators for this purpose.

Sec. 27. Minnesota Statutes 1984, section 129B.38, subdivision 1, is amended to read:

Subdivision 1. [AID AMOUNT.] A district that purchases or leases courseware packages that qualify as high quality according to section 129B.37 shall receive state aid. The aid shall be equal to the lesser of:

(a) (\$1.60) *\$1.00* times average daily membership for the (1982-1983) *1984-1985* school year; or

(b) 25 percent of the actual expenditures of the district for purchase or lease of the courseware packages between (JANUARY 1, 1984) *July 1, 1985*, and May 31, (1985) *1987*.

Sec. 28. Minnesota Statutes 1984, section 129B.39, is amended to read:

129B.39 [PURCHASE OF COURSEWARE PACKAGE DUPLICATION RIGHTS.]

Rights to duplication of courseware packages may be purchased, and volume purchase agreements may be established by the department of education, if the department determines that the courseware packages qualify as high quality according to section 129B.37, and if the courseware packages are available to the state at a lower cost than if purchased by school districts indi-

vidually. The department shall (MAKE THE COURSEWARE PACKAGES AVAILABLE TO THE MINNESOTA EDUCATIONAL COMPUTING CONSORTIUM FOR DISTRIBUTION TO DISTRICTS) *contract with any Minnesota company that submits the lowest bid and that has the capability to duplicate and distribute courseware packages obtained by the department under this section.* The materials shall be available to districts without cost except for nominal costs of reproduction and distribution.

Sec. 29. Minnesota Statutes 1984, section 129B.40, is amended to read:

129B.40 [COURSEWARE PACKAGE DEVELOPMENT.]

Subdivision 1. [NEW COURSEWARE PACKAGES.] The (MINNESOTA EDUCATIONAL COMPUTING CONSORTIUM, IN CONSULTATION WITH THE) department of education (, IS AUTHORIZED TO DEVELOP AND) *may contract with various organizations, commercial or nonprofit, for the design and development of courseware packages which will meet the needs of (SCHOOLS) school districts and which otherwise are unavailable or too expensive for individual districts or the state to purchase. The (MINNESOTA EDUCATIONAL COMPUTING CONSORTIUM) department may:*

(a) contract with school districts, private entrepreneurs, and other public or private agencies for the development of a specified courseware package;

(b) assist entrepreneurs to develop their own ideas for courseware packages that could be used in school districts, by providing funds for that purpose;

(c) secure copyrights for those materials in which it has a whole or part interest;

(d) (SELL DEVELOPED) *contract to distribute courseware packages (AT COST) to school districts (IN MINNESOTA AND AT COMMERCIAL RATES ELSEWHERE) at cost under section 129B.39; and*

(e) (SELL OR) contract for the marketing of courseware packages.

The department of education shall evaluate whether the courseware packages qualify as high quality according to the criteria and procedures established in section 129B.37.

Courseware packages developed according to this subdivision shall become the property of the (MINNESOTA EDUCA-

TIONAL COMPUTING CONSORTIUM) *department of education. Revenue from the sale of these courseware packages shall be annually appropriated from the general fund to the department of education and shall be used to develop additional courseware packages according to this section and to evaluate the other commercial courseware under section 129B.37.*

Subd. 2. [DISTRIBUTION.] (THE MINNESOTA EDUCATIONAL COMPUTING CONSORTIUM MAY) *Any company with which the department contracts to develop courseware packages must sell those courseware packages to Minnesota school districts at cost and may sell to school districts in other states and to the general public at commercial rates. Each contract with a developer who shares in the profits of distribution shall include a provision requiring sale of the courseware packages at cost to Minnesota school districts.*

Sec. 30. [129B.61] [MASTERY LEARNING THROUGH INDIVIDUALIZED LEARNING PLANS ACT.]

Sections 31 to 35 may be cited as the "mastery learning through individualized learning plans act."

Sec. 31. [129B.62] [LEGISLATIVE FINDINGS; PURPOSE.]

The legislature finds that mastery learning is a process for managing learning that enhances mastery of clearly defined educational objectives for all learners, because all learners have the capacity to achieve defined levels of mastery with appropriate time and instruction. The legislature is committed to the goal of providing optimal educational outcomes in reading through mastery learning, using individualized learning plans and encouraging parental involvement. The legislature recognizes that, because of recent developments, technology exists to assist teachers in managing a mastery learning system in reading. The legislature further recognizes that reading is a cognitive skill upon which most subsequent learning is based and that individual learner characteristics need not necessarily be a limitation on that learner's level of mastery of this basic skill. Therefore, the purposes of this legislation are to:

(1) *offer mastery learning programs in reading that take into account the entry reading level of each student and provide individualized instruction and appropriate learning time based on that level;*

(2) *provide design models of individualized student learning plans that demonstrate the use of mastery management programs in reading;*

(3) *encourage continuous progress in learning reading that uses variable class-size groupings;*

(4) recognize that sequential, measurable learning in reading for all students can occur in a program that is planned for mastery, taught for mastery, and managed for mastery.

Sec. 32. [129B.63] [GRADE LEVEL PARTICIPATION.]

The demonstration mastery learning reading programs that are designated under section 33 shall be available for students in grades kindergarten through three.

Sec. 33. [129B.64] [SITE DESIGNATION.]

By March 15, 1986, the commissioner of education shall designate 15 districts as demonstration sites for mastery learning through individualized learning plans and award each district a grant for use during the 1986-1987 school year.

Sec. 34. [129B.65] [ADVISORY COMMITTEE.]

By August 15, 1985, the commissioner of education shall appoint a 15-member advisory committee to assist in the implementation of sections 31 to 35. Representation on the advisory committee shall include a technology in curriculum specialist from the state department, an instructional effectiveness specialist from the state department, a reading specialist from the state department, two representatives from post-secondary teacher education programs, two district level reading curriculum specialists, a state department testing specialist, a superintendent, an elementary school principal, two school boards, a parent, and two teachers. Appointments to this advisory committee are not subject to section 15.0597.

Sec. 35. [129B.66] [GRANTS; APPLICATION PROCESS.]

Subdivision 1. [DEVELOPMENT OF PLAN.] Each school is encouraged to develop and adopt a written plan for providing a program for mastery learning through individualized learning plans. This plan shall be developed in consultation with the curriculum advisory committee for planning, evaluation, and reporting appointed pursuant to section 123.741, subdivision 3.

Subd. 2. [PRELIMINARY PROPOSAL.] By September 15, 1985, each school district is encouraged to submit a brief preliminary proposal that indicates its intent to submit a detailed plan for implementing a program under this section. The proposal shall include an outline of the district's plan and shall be on forms provided by the department of education.

Subd. 3. [SELECTION OF FINALISTS; PLANNING AID.] By October 15, 1985, the commissioner, in consultation with the advisory committee, shall select 30 districts to submit detailed plans for implementing demonstration programs of mastery

learning under this section. By November 1, 1985, the commissioner shall pay planning aid in the amounts of \$1,000 to those selected districts with 600 pupil units or less, and \$1,500 to those selected districts with more than 600 pupil units.

Subd. 4. [DESIGN COMPONENTS.] The design of the programs developed by the 30 districts selected under subdivision 3 shall demonstrate concise, measurable objectives/learner outcomes in reading that clearly describe the criterion for mastery learning in reading. Each program design must include a process for:

(1) the identification of specific skills stated as measurable objectives/learner outcomes;

(2) diagnostic preassessment that determines each student's present entry level of reading skills;

(3) development of an individualized plan for each participating student based on the diagnostic assessment, including the utilization of different instructional strategies and groupings to achieve the stated mastery of the measurable reading objectives/learner outcomes;

(4) diagnostic assessment of progress during instruction and reteaching; and

(5) post-instruction measurement evaluation to determine whether the identified reading skills have been mastered.

Subd. 5. [MANDATORY PLAN COMPONENTS.] In addition to the components of the design of the program specified in subdivision 4, the program plan must include:

(1) sufficient allowance of time for teachers to identify specific skills and measurable objectives/learner outcomes;

(2) sufficient allowance of time for the development or acquisition of a locally-developed, state-developed, or a commercially-developed mastery management system;

(3) a demonstration of how the participating schools will reduce reading class sizes by providing variable class size groupings;

(4) a demonstration of how a skill-based computerized management system shall be used to develop individualized student learning plans in reading, diagnose individual student levels of learning, retest to ascertain progress toward mastery of objectives, and post-test to determine the extent of final mastery of the objectives;

(5) a plan for in-service staff development that addresses all components of the mastery learning model, including parent communication and involvement and the reteaching component; and

(6) a procedure for involving parents, in the process of developing individualized instruction plans for mastery in reading and keeping them informed of the progress of their children, as well as suggestions on how the parents can assist in the individualized learning plan.

Subd. 6. [OPTIONAL COMPONENTS OF THE PLAN.] In addition to the required components of the plan specified in subdivision 5, a district's plan may include:

- (1) plans for all-day kindergarten;
- (2) plans for coordination with early childhood and family education programs;
- (3) plans for program expansion to grades four through six;
- (4) plans for use of volunteers;
- (5) summer learning opportunities;
- (6) a process for integrating the assessment of student affective levels;
- (7) inclusion of foreign languages in the mastery reading program;
- (8) plans for utilizing peer-tutoring in the program; and
- (9) the feasibility of establishing a demonstration/laboratory school to be operated by the school district and to be used for teacher training purposes.

Subd. 7. [SELECTION CRITERIA.] The commissioner of education, in consultation with the advisory committee, shall establish selection criteria for approving plans, to be distributed to the school districts by November 1, 1985.

Subd. 8. [GEOGRAPHIC DISTRIBUTION OF SITES.] To the extent possible, the selected sites shall be geographically well distributed with representation from urban, suburban, and rural areas. Some of the sites selected shall be exemplary programs already in existence.

Subd. 9. [DIFFERENTIATED STAFFING; TWO SITES.] At least two of the sites approved by the state board shall in-

clude plans for adopting differentiated staffing models that utilize master teachers and nonlicensed personnel such as teachers' aides or paraprofessionals.

Subd. 10. [APPROVAL OF PLANS; GRANT AWARDS.] *The districts shall submit a plan and application for a grant by February 1, 1986 in the form and manner prescribed by the department. Grants shall be awarded by March 15, 1986.*

Subd. 11. [EVALUATION OF SITES.] *The commissioner of education shall make a preliminary evaluation of the designated sites and report to the education committees of the legislature on the results of the preliminary evaluation by February 1, 1987. By December 1, 1987 and each year thereafter, the commissioner of education shall make an annual evaluation report on the program to the education committees of the legislature.*

Sec. 36. [136A.043] [DATA ON TEACHER EDUCATION STUDENTS AND GRADUATES.]

The higher education coordinating board in consultation with the board of teaching shall collect and publish annual data from teacher preparation institutions on the characteristics of students admitted to and graduating from teacher education programs. The board shall establish the reporting format in consultation with teacher preparation institutions and the board of teaching.

Sec. 37. *Minnesota Statutes 1984, section 275.125, is amended by adding a subdivision to read:*

Subd. 7f. [EDUCATIONAL IMPROVEMENT LEVY.] *In 1985 and each year thereafter, a district may levy for educational improvement programs an amount equal to the following product:*

(a) *the district's educational improvement revenue allowance as defined in section 124.248, subdivision 2, times*

(b) *the lesser of*

(1) *one, or*

(2) *the ratio of*

(i) *the quotient derived by dividing the adjusted assessed valuation of the district in the second preceding year by the total pupil units in the district in the school year to which the levy is attributable, to*

(ii) *the equalizing factor for the school year to which the levy is attributable.*

Sec. 38. Minnesota Statutes 1984, section 275.125, is amended by adding a subdivision to read:

Subd. 8c. [TEACHING AND CURRICULUM LEVY.] A district may levy for its excellence in teaching and curriculum program. The amount levied shall not exceed the lesser of:

(1) .1 mill times the adjusted assessed valuation of the district for the year preceding the year the levy is certified; or

(2) the maximum revenue, as defined in section 124.248, subdivision 4, for the fiscal year to which the levy is attributable.

If the school district does not file the statement required by section 21, subdivision 6, before the levy limits for the district are certified according to subdivision 10, the department shall reduce the levy limitation for this subdivision by the amount the district levied the previous year for contracts under section 21.

Sec. 39. [REPORT TO LEGISLATURE.]

By January 15, 1987, the department of education shall submit a report and recommendations to the legislature about the issues reported by school districts under section 21, subdivision 6.

Sec. 40. [USE OF 1985 SUMMER REVENUE.]

Notwithstanding any law to the contrary, a district may use the 1985 summer educational improvement revenue allowance during the school year as well as during the summer.

Sec. 41. [LEVY REDUCTION IF PLAN NOT APPROVED.]

If a district plan is not approved according to section 14 and if the district levied under Minnesota Statutes, section 275.125, subdivision 8c, for an excellence in teaching and curriculum program, the department of education shall reduce the 1986 or 1987 levy limit, as applicable, for Minnesota Statutes, section 275.125, subdivision 8c, or for Minnesota Statutes, section 124A.03, subdivision 1, by the amount the district levied for the program in 1985 or 1986.

Sec. 42. [COMPUTERIZED MASTERY MANAGEMENT SYSTEM.]

The department of education shall develop, contract for the development, or purchase the state rights to computerized mastery management system that may be utilized for individualized learning plan models to be implemented under sections 31 to 35.

The computer models shall have a common management system and be able to utilize several banks of learner outcomes and objectives that reflect content found in major textbooks. The department shall also develop, contract for the development, or purchase the state rights to support and resource materials to be used in conjunction with the computerized mastery management system for reading. In future years, the department is encouraged to develop and acquire a similar system and supporting materials for mathematics.

Sec. 43. [TEACHER EDUCATION CURRICULUM.]

Subdivision 1. [ADVISORY TASK FORCE.] The higher education coordinating board and the board of teaching, shall jointly appoint an advisory task force on changes in teacher education programs needed to adapt to state educational priorities, changing roles for teachers, and economic and social trends that will affect educational needs. Members shall include, but not be limited to, representatives of the commissioner of education, council on quality education, board of teaching, higher education coordinating board, teachers, school boards, administrators, and teacher education students and faculty.

Subd. 2. [DUTIES.] The advisory task force shall make recommendations to the higher education coordinating board, the board of teaching, and teacher education institutions on teacher education curricula to meet contemporary and anticipated conditions. The advisory task force shall also make recommendations to the board of teaching concerning program outcomes and outcome measures to be used in the evaluation and approval of teacher education programs. The measures shall include evidence that program graduates are capable of performing effectively as teachers in the schools. In developing its proposals, the advisory task force shall consider and coordinate efforts with Minnesota Statutes, sections 121.608 to 121.609, 129B.31 to 129B.35, and 129B.41 to 129B.47, and learning improvement initiatives within the department of education.

Subd. 3. [REPORTS.] The task force shall submit its report to the higher education coordinating board and the board of teaching by November 1, 1986. The higher education coordinating board and the board of teaching shall transmit the task force report to the education committees of the legislature with recommendations by January 1, 1987.

Sec. 44. [PLAN FOR MENTOR TEACHERS.]

Subdivision 1. [PURPOSE.] The commissioner of education shall prepare a plan for the use of experienced teachers, called mentors, to assist in the continued development of beginning teachers. The purposes of the plan shall be to provide a link between preservice teacher education and employment as a teacher, to reduce the attrition of new teachers, to create a career

development option for experienced teachers, and to improve instructional effectiveness in the schools.

Subd. 2. [FACTORS.] The plan shall include the following factors and others identified by the commissioner of education:

- (1) selection of mentor teachers;*
- (2) requirements for district and school participation;*
- (3) compensation of teachers and districts;*
- (4) funding and administrative requirements;*
- (5) relationships between mentor teachers and preservice teacher education institutions and faculty;*
- (6) training of mentor teachers;*
- (7) implications for seniority and other collective bargaining agreements;*
- (8) implications for school management; and*
- (9) implications for teacher licensure.*

Subd. 3. [REPORT.] The plan shall be submitted for approval by the education and finance committees of the legislature by January 1, 1986.

Subd. 4. [PILOT IMPLEMENTATION.] The plan shall be implemented on a pilot basis during the 1986-1987 school year. A preliminary evaluation of the pilot shall be submitted to the education and finance committees of the legislature by January 1, 1987.

Sec. 45. [ALTERNATIVE TEACHER EDUCATION PROGRAMS.]

Subdivision 1. [PURPOSE.] The purposes of this section are to support innovation in teacher education, to involve the schools more closely in the preparation of new teachers, and to encourage talented college graduates to enter the field of teaching.

Subd. 2. [GRANTS FOR INNOVATIVE PROGRAMS.] The board of teaching shall award grants for innovative teacher education programs. Such grants shall be awarded upon the basis of competitive proposals.

Subd. 3. [ELIGIBLE PROGRAMS.] Proposals shall be eligible under this section if they are designed to prepare college graduates to teach through structured internships in participating schools or by other methods. Programs shall be conducted jointly by an approved teacher education institution and one or more school districts.

Subd. 4. [ADVISORY TASK FORCE.] The board of teaching shall name an advisory task force to recommend selection criteria and evaluate proposals. The advisory task force shall include at least one representative from the higher education coordinating board.

Subd. 5. [EVALUATION.] The board of teaching shall evaluate the programs in cooperation with the higher education coordinating board. The evaluation should assess the effectiveness of the programs in comparison with traditional teacher education programs.

Sec. 46. [TASK FORCE ON AN ACADEMIC HIGH SCHOOL LEAGUE.]

Subdivision 1. [ESTABLISHMENT.] A task force on an academic high school league is established. The task force shall consist of 15 members appointed by the academic excellence foundation. The foundation shall appoint at least one member from the state committee of the north central association and one member from the advisory committee for programs of excellence. The task force shall terminate by June 30, 1986.

Subd. 2. [DUTIES.] The task force shall study and make recommendations about establishing an academic high school league. The study shall include at least the following issues:

(1) the utilization of high schools designated under the provisions of Minnesota Statutes, section 126.62, program of excellence, to create a league;

(2) the utilization of high schools accredited by the north central association to create a league; and

(3) the annual activities of the league including competition among schools, recognition of achievements, and the relationship of the activities to the Minnesota high school league.

Subd. 3. [EXPENSES.] The compensation on task force members, removal, and vacancies shall be as provided in Minnesota Statutes, section 15.059, subdivisions 3 and 4.

Subd. 4. [REPORT.] The task force shall report its finding and recommendations to the academic excellence foundation and the education committees of the legislature by February 1, 1986.

Subd. 5. [APPROPRIATION.] There is appropriated \$5,000 from the general fund to the academic excellence foundation for expenses related to the operation of the task force specified in this section. The sum shall be available until June 30, 1986.

Sec. 47. [INDUSTRIAL TECHNOLOGY PROGRAM.]

The commissioner of education shall develop a curriculum for the industrial technology program that incorporates the instructional competencies found in secondary industrial arts and secondary vocational trade and industrial occupations programs.

Sec. 48. [APPROPRIATIONS; DEPARTMENT OF EDUCATION.]

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

Subd. 2. [EDUCATIONAL IMPROVEMENT.] For educational improvement aid pursuant to section 124.248, subdivision 3, there is appropriated:

\$2,982,100 1987.

Subd. 3. [COUNCIL ON QUALITY EDUCATION.] For the council on quality education venture fund grants pursuant to Minnesota Statutes, sections 129B.01 to 129B.05, there is appropriated:

\$122,400 1986.

This amount is for grants for fiscal year 1985 payable in fiscal year 1986.

Subd. 4. [PROGRAMS OF EXCELLENCE.] For programs of excellence pursuant to Minnesota Statutes, section 126.62, there is appropriated:

\$25,000 1986,

\$25,000 1987.

Subd. 5. [TEST ITEM BANK.] For the test item bank established pursuant to Minnesota Statutes, section 123.742, subdivision 5, there is appropriated:

\$200,000 1986,

\$200,000 1987.

Subd. 6. [ACADEMIC EXCELLENCE FOUNDATION.]
For the academic excellence foundation, there is appropriated:

\$54,000 1986,

\$54,000 1987.

Subd. 7. [TECHNOLOGY DEMONSTRATION SITES.]
For grants to technology demonstration sites, there is appropriated:

\$1,090,000 1986,

\$1,090,000 1987.

Up to \$435,000 of the total amount of these appropriations for both years may be used for travel expenses, evaluation, and costs of administration. No grant to any site shall exceed a total of \$175,000 for the biennium. Thirteen sites shall be funded. The Woodland Cooperative and the Mankato/St. Peter KIDS projects shall not receive grants.

Subd. 8. [COURSEWARE PACKAGE DEVELOPMENT.]
For courseware package development pursuant to Minnesota Statutes, section 129B.40, courseware package evaluation pursuant to Minnesota Statutes, section 129B.37, purchase of courseware duplication rights pursuant to Minnesota Statutes, section 129B.39, and technology regional coordinators pursuant to Minnesota Statutes, section 129B.35, there is appropriated:

\$649,000 1986,

\$649,000 1987.

Subd. 9. [PURCHASE OR LEASE OF COURSEWARE.]
For aid for purchase or lease of courseware pursuant to Minnesota Statutes, section 129B.38, there is appropriated:

\$351,000 1986,

\$351,000 1987.

Any unexpended balance of this appropriation for fiscal year 1986 shall not cancel, but shall be available for fiscal year 1987.

Subd. 10. [INSTRUCTIONAL EFFECTIVENESS.] *For instructional effectiveness training pursuant to Minnesota Statutes, section 121.609, subdivision 5, for instructional effectiveness regional services pursuant to Minnesota Statutes, section 121.609, subdivision 4, and for instructional effectiveness train-*

ing and evaluation pursuant to Minnesota Statutes, section 121-609, subdivision 3, there is appropriated:

\$1,050,000 1986,

\$765,000 1987.

It is the expectation of the legislature that in-service training for instructional effectiveness will be paid for by school districts beginning with fiscal year 1987.

Subd. 11. [MENTOR TEACHING PLAN.] For development of a mentor teacher plan pursuant to section 44, there is appropriated:

\$100,000 1986.

Subd. 12. [MENTOR TEACHER PLAN PILOT.] For implementation of the mentor teacher plan on a pilot basis pursuant to section 44, subdivision 4, there is appropriated:

\$500,000 1987.

Subd. 13. [PLANNING AID.] For planning aid pursuant to section 35, subdivision 3, there is appropriated:

\$40,000 1986.

Subd. 14. [MASTERY LEARNING GRANT AWARDS AND EVALUATION.] For mastery learning demonstration project grants pursuant to section 35, subdivision 10, there is appropriated:

\$1,945,000 1986.

The department may use up to \$20,000 of the appropriation for the costs of administering the program and up to \$50,000 for evaluating the program.

Subd. 15. [MASTERY MANAGEMENT SYSTEMS.] For development or purchase of rights to computerized mastery management systems pursuant to section 42, there is appropriated:

\$125,000 1986.

Subd. 16. [AID FOR EXCELLENCE IN TEACHING AND CURRICULUM.] For aid for excellence in teaching and curriculum, pursuant to section 14, there is appropriated:

\$2,800,000 1987.

Subd. 17. [PER PROCESS AID.] For aid pursuant to Minnesota Statutes, section 123.7431, subdivision 1, there is appropriated:

\$1,044,000 1986,

\$1,085,700 1987.

Subd. 18. [COMPREHENSIVE ARTS PLANNING PROGRAMS.] For comprehensive arts planning programs there is appropriated:

\$100,000 1986,

\$100,000 1987.

Up to \$62,500 each year may be used to provide technical assistance to the districts involved. Technical assistance costs may include workshops, leadership conferences, and planning materials expenses, and the costs of consultants or staff to administer the assistance.

The unencumbered balance remaining from fiscal year 1986 shall not cancel but shall be available for fiscal year 1987.

Subd. 19. [ARTS EDUCATION.] For arts education aid to school districts there is appropriated:

\$900,000 1986,

\$900,000 1987.

Each fiscal year, 100 percent of the aid shall be paid to school districts. The unencumbered balance remaining from fiscal year 1986 shall not cancel but shall be available for fiscal year 1987.

Sec. 49. [APPROPRIATIONS; HIGHER EDUCATION COORDINATING BOARD.]

Subdivision 1. [TO HIGHER EDUCATION COORDINATING BOARD.] There is appropriated from the general fund to the higher education coordinating board the sums indicated in this section for the fiscal years ending June 30 in the years designated. Any unexpended balance remaining from the appropriations for fiscal year 1986 shall not cancel, and shall be available for fiscal year 1987.

Subd. 2. [SUMMER PROGRAM SCHOLARSHIPS.] For scholarship awards for 1986 and 1987 summer programs, pursuant to Minnesota Statutes, section 126.56, there is appropriated:

\$500,000 1986.

Of this appropriation, the amount required may be used for the higher education coordinating board's costs of administering the program.

Subd. 3. [DATA COLLECTION ON TEACHER EDUCATION STUDENTS.] *For data collection and reporting on characteristics of teacher education students pursuant to section 36, there is appropriated:*

\$25,000 1986.

A portion of this appropriation may be used to defray the costs of teacher preparation institutions in providing requested data.

Subd. 4. [CURRICULUM TASK FORCE.] *For the task force on teacher education curriculum and related expenses, there is appropriated:*

\$75,000 1986,

\$75,000 1987.

Sec. 50. [APPROPRIATIONS; BOARD OF TEACHING.]

Subdivision 1. [TO BOARD OF TEACHING.] *There is appropriated from the general fund to the board of teaching the amounts indicated in this section for the fiscal years ending June 30 in the year designated. Any unexpended balance remaining from the appropriations for 1986 shall not cancel and shall be available for fiscal year 1987.*

Subd. 2. [SUBJECT TESTS.] *For development and implementation of a plan to test the subject knowledge of beginning teachers, there is appropriated:*

\$150,000 1986.

Subd. 3. [LICENSURE ASSESSMENT OF TEACHING PERFORMANCE.] *For development and implementation of a plan to evaluate the teaching skills of beginning teachers for purposes of state licensure, there is appropriated:*

\$150,000 1986,

\$200,000 1987.

A portion of these appropriations may be used for consultants and contracted services by higher education institutions.

Subd. 4. [MODEL PROGRAMS.] For model teacher preparation programs pursuant to section 45, there is appropriated:

\$110,000 1986,

\$110,000 1987.

Sec. 51. [REPEALER.]

Section 19 is repealed June 30, 1987.

Minnesota Statutes 1984, sections 124.247, subdivision 6; 129B.33; and 129B.34 are repealed.

Sec. 52. [EFFECTIVE DATE.]

Section 14 is effective for the 1986-1987 school year and thereafter.

ARTICLE 9

LIBRARIES

Section 1. Minnesota Statutes 1984, section 123.742, subdivision 7, is amended to read:

Subd. 7. [(CURRICULUM) PROVIDING INFORMATION TO SCHOOLS.] The department may provide (AVAILABLE CURRICULUM) library information services for improving teaching and administrative practices at public and nonpublic elementary, secondary and post-secondary vocational schools. The information may be provided upon the request of a school district or an educational cooperative service unit (WITH WHICH THE DEPARTMENT HAS A WRITTEN AGREEMENT). The department may collect reasonable fees not to exceed its actual costs for this service. The department may also accept money from any public or private source to defray the cost of this service.

Sec. 2. Minnesota Statutes 1984, section 123.742, is amended by adding a subdivision to read:

Subd. 7a. [PROVIDING OTHER INFORMATION.] The department may provide library information and services it considers appropriate and necessary to any state agency, governmental unit, nonprofit organization, or private entity. The department may collect reasonable fees not to exceed its actual costs for providing the information and services. The department may also accept money from any public or private source to defray the cost of providing the information and services.

Sec. 3. Minnesota Statutes 1984, section 123.742, is amended by adding a subdivision to read:

Subd. 9. [OPEN APPROPRIATION.] The fees charged and money accepted by the department under sections 1 and 2 shall be deposited in the state treasury and credited to a special account. Money in the account is appropriated to the department to defray the costs of providing the information and services.

Sec. 4. Minnesota Statutes 1984, section 134.31, subdivision 2, is amended to read:

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) institutions, state agencies, governmental units, nonprofit organizations, or private entities. 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.

Sec. 5. Minnesota Statutes 1984, section 134.31, subdivision 3, is amended to read:

Subd. 3. The department may provide, for any library in the state, books, journals, audiovisual items, (REFERENCE) information services or resource materials it deems appropriate and necessary and shall encourage the sharing of library resources and the development of interlibrary cooperation.

Sec. 6. [134.341] [COUNTY FINANCIAL SUPPORT.]

In order to ensure the availability of public library service to every person in the state, beginning January 1, 1988, every county is encouraged to provide financial support for public library services at no less than minimum amounts as specified in sections 134.33 and 134.34 and is encouraged to participate in the designated regional public library system to which it is assigned by the state board of education pursuant to section 134.34, subdivision 3. Each county board of commissioners in participating counties shall appoint at least one county resident to serve as a representative to the regional public library system board and may appoint more than one representative under terms and conditions of the regional public library system contract.

Sec. 7. Minnesota Statutes 1984, section 134.35, is amended to read:

134.35 [REGIONAL LIBRARY BASIC SYSTEM SUPPORT GRANTS; DISTRIBUTION FORMULA.]

Subdivision 1. [GRANT APPLICATION.] Any regional public library system which qualifies according to the provisions of section 134.34 may apply for an annual grant for regional library basic system support. The amount of each grant for each fiscal year shall be calculated as provided in this section.

Subd. 2. (FIFTY-FIVE) *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) *Seven and one-half percent of the available grant funds* 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, ANY REMAINING AVAILABLE GRANT FUNDS FOR BASIC SYSTEM SUPPORT) *Seventeen and one-half percent of the available grant funds* 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.

Sec. 8. Minnesota Statutes 1984, section 134.351, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT.] The state board of education, upon the advice of the advisory council to the office of (PUBLIC LIBRARIES AND INTERLIBRARY COOPERATION) *library development and services*, may approve the establishment of multi-county, multi-type library systems and the geographic boundaries of those systems.

Sec. 9. [APPROPRIATION.]

Subdivision 1. [BASIC SUPPORT GRANTS.] *For basic support grants for public libraries there is appropriated from the general fund to the department of education the sums indicated in this section for the fiscal years ending June 30 in the years designated.*

\$4,799,800 1986,

\$4,977,500 1987.

The appropriation for 1986 includes \$695,000 for aid for fiscal year 1985 payable in fiscal year 1986, and \$4,104,800 for aid for fiscal year 1986 payable in fiscal year 1986.

The appropriation for 1987 includes \$724,400 for aid for fiscal year 1986 payable in fiscal year 1987 and \$4,253,100 for aid for fiscal year 1987 payable in fiscal year 1987.

The appropriations are based on aid entitlements of \$4,829,200 for fiscal year 1986 and \$5,003,600 for fiscal year 1987.

Subd. 2. [MULTI-COUNTY LIBRARY SYSTEMS.] *For grants pursuant to sections 134.353 and 134.354 to multi-county, multi-type library systems there is appropriated:*

\$205,100 1986,

\$213,000 1987.

The appropriation for 1986 includes \$30,000 for aid for fiscal year 1985 payable in fiscal year 1986, and \$175,100 for aid for fiscal year 1986 payable in fiscal year 1986.

The appropriation for 1987 includes \$30,900 for fiscal year 1986 payable in fiscal year 1987, and \$182,100 for aid for fiscal year 1987 payable in fiscal year 1987.

The appropriations are based on aid entitlements of \$206,000 for fiscal year 1986, and \$214,200 for fiscal year 1987.

Sec. 10. [EFFECTIVE DATE.]

Section 6 is effective July 1, 1986.

ARTICLE 10

CASH FLOW

Section 1. Minnesota Statutes 1984, section 121.904, subdivision 4a, is amended to read:

Subd. 4a. [LEVY RECOGNITION.] (a) "School district tax settlement revenue" means the current, delinquent, and manufactured home property tax receipts collected by the county and distributed to the school district, including distributions made pursuant to section 279.37, subdivision 7, and excluding the amount levied pursuant to section 275.125, subdivision 9a, and Laws 1976, chapter 20, section 4.

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

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

(2) the sum of the state aids and credits enumerated in section 124.155, subdivision 2 which are for the fiscal year payable in that fiscal year plus (32) 24 percent of the amount of the levy certified in the prior calendar year according to section 275.125, subdivision 2d, plus or minus auditor's adjustments, not including levy portions that are assumed by the state; or

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

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

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

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

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

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

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

Sec. 2. Minnesota Statutes 1984, section 121.904, subdivision 4c, is amended to read:

Subd. 4c. [PROPERTY TAX SHIFT REDUCTION.] (a) (FOR THE PURPOSE OF THIS SUBDIVISION, "COMBINED FUND BALANCE" MEANS THE SUM OF THE FUND BALANCE DETERMINED BY THE COMMISSIONER OF FINANCE PURSUANT TO SECTION 9 OF THIS ARTICLE, AFTER TRANSFERS TO THE EDUCATION AIDS INCREASE ACCOUNT, PLUS THE BALANCE IN THE EDUCATION AIDS INCREASE ACCOUNT.)

((B) IF THE COMBINED FUND BALANCE EXCEEDS \$58,000,000,) *If the most recent forecasts of general fund revenues and expenditures prepared by the commissioner of finance pursuant to chapter 16A as of December 1, 1985, indicate a projected general fund balance for the biennium ending June 30, 1987 in excess of \$10,000,000, the levy recognition percent specified in subdivision 4a, clauses (b)(2) and (b)(3), shall be reduced for taxes payable in (1985) 1986 and thereafter according to the provisions of this subdivision.*

((C)) (b) The levy recognition percent shall equal the result of the following computation: (32) 24 percent, times the ratio of

(1) the statewide total amount of levy recognized in June (1985) 1986 pursuant to subdivision 4a, clause (b), reduced by the lesser of: (A) the amount of the (COMBINED) projected general fund balance (IN EXCESS OF \$50,000,000), or (B) \$70,000,000, to

(2) the statewide total amount of the levy recognized in June (1985) 1986 pursuant to subdivision 4a, clause (b).

The result shall be rounded up to the nearest whole percent. (HOWEVER, IN NO CASE SHALL THE LEVY RECOGNITION PERCENT BE REDUCED BELOW 24 PERCENT.)

Sec. 3. [CERTIFICATION AND NOTICE OF PERCENT.]

The commissioner of finance shall certify to the commissioner of education the levy recognition percent computed under section 2 of this article by January 5, 1986. The commissioner of education shall notify school districts of any change in the levy recognition percent by January 15, 1986.

Sec. 4. [TRANSFER IN FISCAL YEAR 1985 FOR ADDITIONAL AIDS.]

The commissioner of finance shall transfer from the general fund to the education aids appropriations specified by the commissioner of education, the amounts needed to finance the additional payments required because of the reduction pursuant to section 2 of this article of the levy recognition percent in Minnesota Statutes, section 121.904, subdivision 4c. However, the amount of the transfer shall not exceed \$70,000,000. Payments to a school district of additional state aids resulting from a reduction in the levy recognition percent pursuant to section 2 of this article, shall be added to the cash metering system, according to Minnesota Statutes, section 124.195, after January 15, 1986, and shall be paid in a manner consistent with the percent specified in that section.

ARTICLE 11

TEACHER RETIREMENT

Section 1. [124.2161] [TEACHER RETIREMENT AND F.I.C.A. AID AND LEVY; DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] For the purposes of sections 1 and 2 and section 275.125, the following terms have the meanings given them.

Subd. 2. [F.I.C.A.] "F.I.C.A." means employer contribution obligations under the Federal Insurance Contribution Act.

Subd. 3. [TEACHER RETIREMENT OBLIGATIONS.] *"Teacher Retirement Obligations" means a school district's obligations for employer contributions to a teacher retirement fund as required by sections 354.42, subdivisions 3 and 5, and 354A.12, subdivision 2, excluding contributions on behalf of teachers employed at an area vocational technical institute, and excluding contributions based upon salaries paid from sources other than normal school operating funds as defined in section 354.05, subdivision 27.*

Subd. 4. [F.I.C.A. OBLIGATIONS.] *"F.I.C.A. Obligations" means a school district's obligations for F.I.C.A. as required by sections 355.208 and 355.287, excluding contributions on behalf of teachers employed at an area vocational technical institute, and excluding contributions based upon salaries paid from sources other than normal school operating funds as defined in section 354.05, subdivision 27.*

Subd. 5. [TEACHER RETIREMENT INFLATION FACTOR.] *"Teacher Retirement Inflation Factor" means a factor to be multiplied by a district's teacher retirement obligations for the base year. For the base year of fiscal year 1985, the teacher retirement inflation factor shall be 1.0816. For base years after fiscal year 1985, the teacher retirement inflation factor shall be equal to the foundation aid formula allowance for the current year, divided by the foundation aid formula allowance for the base year.*

Subd. 6. [F.I.C.A. INFLATION FACTOR.] *"F.I.C.A. Inflation Factor" means a factor to be multiplied by a district's F.I.C.A. obligations for the base year. For the base year of fiscal year 1985, the F.I.C.A. inflation factor shall be 1.1221. For base years after fiscal year 1985, the F.I.C.A. inflation factor shall be equal to the foundation aid formula allowance for the current year, divided by the foundation aid formula allowance for the base year.*

Subd. 7. [BASE YEAR.] *"Base year" means the second fiscal year preceding the fiscal year for which a district's aid and levy are computed under the provisions of this section and section 124.2162.*

Subd. 8. [CURRENT YEAR.] *"Current year" means the fiscal year for which a district's aid and levy are computed under the provisions of this section and section 124.2162.*

Sec. 2. [124.2162] [TEACHER RETIREMENT AID AND LEVY.]

Subdivision 1. [TEACHER RETIREMENT AND F.I.C.A. REVENUE ALLOWANCE.] *"Teacher Retirement and F.I.C.A. Revenue Allowance" for a district is the quotient of (a) the sum of (1) teacher retirement obligations in the base year, multiplied*

by the teacher retirement inflation factor, and (2) F.I.C.A. obligations in the base year, multiplied by the F.I.C.A. inflation factor, divided by (b) the number of actual pupil units in the district in the base year.

Subd. 2. [REVENUE.] For a district for each fiscal year, the teacher retirement and F.I.C.A. revenue is the teacher retirement and F.I.C.A. revenue allowance under subdivision 1 times the district's actual pupil units for the current school year.

Subd. 3. [LEVY.] Each year a district may levy for teacher retirement and F.I.C.A. obligations the amount permitted under section 275.125, subdivision 6f.

Subd. 4. [AID.] Each year beginning with fiscal year 1987, the state shall pay to school districts teacher retirement and F.I.C.A. aid equal to the district's revenue under subdivision 2 minus its levy limitation under subdivision 3.

Subd. 5. [ALLOCATION AMONG CENTERS.] Each year school districts that are members of a center under section 123.-351 shall equitably allocate among the members their teacher retirement and F.I.C.A. obligations to make the computations in this section. A center shall notify the department of its allocation by September 1 of each year. If no allocation is received in the department by September 1, the department shall make the allocations and notify the center and its members by October 1.

Sec. 3. Minnesota Statutes 1984, section 275.125, is amended by adding a subdivision to read:

Subd. 6f. [LEVY FOR FISCAL 1987.] A school district may make a levy for teacher retirement and F.I.C.A. obligations under sections 1 and 2 for the fiscal year beginning in the year after the levy is certified. The levy must not exceed the district's teacher retirement and F.I.C.A. revenue under section 2, subdivision 2, multiplied by a fraction. The numerator of the fraction is the district's adjusted assessed valuation for the year before the year the levy is certified, divided by the district's total pupil units for the school year that corresponds to the fiscal year for which the levy is made. The denominator of the fraction is \$360,000.

Sec. 4. Minnesota Statutes 1984, section 354.06, subdivision 1, is amended to read:

Subdivision 1. The management of the fund shall be vested in a board of eight trustees which shall be known as the board of trustees of the teachers retirement fund. It shall be composed of the following persons: the commissioner of education, the commissioner of finance, (THE COMMISSIONER OF COMMERCE) a representative of the Minnesota school boards as-

sociation, four members of the fund who shall be elected by the members of the fund and one retiree who shall be elected by the retirees of the fund. The five elected members of the board of trustees shall be chosen by mail ballot in a manner which shall be fixed by the board of trustees of the fund. In every odd numbered year there shall be elected two members of the fund to the board of trustees for terms of four years commencing on the first of July next succeeding their election. In every odd numbered year there shall be elected one retiree of the fund to the board of trustees for a term of two years commencing on the first of July next succeeding the election. Each election shall be completed by June first of each succeeding odd numbered year. In the case of elective members, any vacancy shall be filled by appointment by the remainder of the board, and the appointee shall serve until the members or retirees of the fund at the next regular election have elected a trustee to serve for the unexpired term caused by the vacancy. No member or retiree shall be appointed by the board, or elected by the members of the fund as a trustee if the person is not a member or retiree of the fund in good standing at the time of the appointment or election. It shall be the duty of the board of trustees to faithfully administer the law without prejudice and consistent with the expressed intent of the legislature. They shall act as trustees with a fiduciary obligation to the state of Minnesota which created the fund, the taxpayers which aid in financing it and the teachers who are its beneficiaries.

Sec. 5. Minnesota Statutes 1984, section 354.43, subdivision 3, is amended to read:

Subd. 3. Each school district, state university, community college and any other employing authority of members of the fund shall be obligated for employer contributions in accordance with the provisions of sections 354.42, subdivisions 3 and 5, and 355.46, subdivision 3, as provided in this section. With respect to state employees, each department and agency shall pay the amounts required by section 354.42, subdivisions 3 and 5 from the accounts and funds from which each department or agency receives its revenue, including appropriations from the general fund and from any other fund, now or hereafter existing, for the payment of salaries and in the same proportion as it pays therefrom the amounts of the salaries. The payments shall be charged as an administrative cost by these units of state government. (FOR OTHER REPORTING UNITS, THAT PORTION OF THE EMPLOYER CONTRIBUTIONS BASED ON SALARIES PAID FROM SOURCES OTHER THAN NORMAL SCHOOL OPERATING FUNDS AS DEFINED IN SECTION 354.05, SUBDIVISION 27 SHALL BE REMITTED TO THE TEACHERS RETIREMENT ASSOCIATION. THE REMITTANCE SHALL BE ACCOMPANIED BY A SATISFACTORY CERTIFICATION WHICH SHOWS THE TOTAL OF ALL SALARIES PAID WHICH ARE SUBJECT TO TEACHERS RETIREMENT DEDUCTIONS. THE CERTIFICATION SHALL ALSO SHOW THE TOTAL AMOUNT OF SALARIES PAID FROM NORMAL SCHOOL OPERATING FUNDS AND

THE TOTAL AMOUNT OF SALARIES PAID FROM SOURCES OTHER THAN NORMAL SCHOOL OPERATING FUNDS AS DEFINED IN SECTION 354.05, SUBDIVISION 27. FOR EACH INDIVIDUAL SALARY INCLUDED IN THE TOTAL OF ALL SALARIES PAID FROM SOURCES OTHER THAN NORMAL SCHOOL OPERATING FUNDS AS DEFINED IN SECTION 354.05, SUBDIVISION 27, THE CERTIFICATION SHALL SHOW EACH PERSON'S NAME, HIS SALARY OR RELATED PORTION OF SALARY AND REMITTANCE OF EMPLOYER CONTRIBUTIONS RELATED TO THE SALARY FOR EACH PERSON INCLUDED IN THE ACTUAL REMITTANCE.)

Sec. 6. Minnesota Statutes 1984, section 354A.12, subdivision 2, is amended to read:

Subd. 2. [EMPLOYER CONTRIBUTIONS.] Notwithstanding any law to the contrary, levies for teachers retirement fund associations in cities of the first class, including levies for any employer social security taxes for teachers covered by the Duluth teachers retirement fund association or the Minneapolis teachers retirement fund association or the St. Paul teachers retirement fund association, are disallowed (AND THE STATE SHALL ASSUME THE TOTAL EMPLOYER OBLIGATION).

The (STATE) *employing units* shall make the following employer contributions to teachers retirement fund associations:

(a) For any coordinated member of a teachers retirement fund association in a city of the first class, the (STATE) *employing unit* shall pay the employer social security taxes in accordance with section 355.46, subdivision 3, clause (b);

(b) For any coordinated member of one of the following teachers retirement fund associations in a city of the first class, the (STATE) *employing unit* shall make a contribution to the respective retirement fund association in an amount equal to the designated percentage of the salary of the coordinated member as provided below:

Duluth teachers retirement fund association	5.79 percent
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Minneapolis teachers retirement fund association	4.50 percent
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St. Paul teachers retirement fund association	4.50 percent
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(c) For any basic member of one of the following teachers retirement fund associations in a city of the first class, the (STATE) *employing unit* shall make a contribution to the re-

spective retirement fund in an amount equal to the designated percentage of the salary of the basic member as provided below:

Minneapolis teachers retirement
fund association 13.35 percent

St. Paul teachers retirement
fund association 12.63 percent

The (STATE) employer contributions shall be remitted directly to each teachers retirement fund association each month (IN ACCORDANCE WITH THE PROCEDURES DESCRIBED IN SECTION 354.43, SUBDIVISIONS 1 AND 5).

(ONCE EACH MONTH THE EXECUTIVE SECRETARY OF EACH TEACHERS RETIREMENT FUND ASSOCIATION SHALL DETERMINE THE AMOUNT OF MONEY NECESSARY AND PRESENTLY NEEDED TO MEET THE STATE OBLIGATION AS PROVIDED IN THIS SUBDIVISION BY APPLYING THE PERCENTAGE OF PAYROLL FIGURE TO THE ESTIMATED PAYROLL AMOUNTS FOR THE CURRENT MONTH AND SHALL CERTIFY THE AMOUNT TO THE COMMISSIONER OF FINANCE. THE MONEYS REQUIRED TO MEET THE AMOUNTS CERTIFIED BY EACH EXECUTIVE SECRETARY OF A TEACHERS RETIREMENT FUND ASSOCIATION SHALL BE REMITTED DIRECTLY TO THE APPLICABLE TEACHERS RETIREMENT FUND ASSOCIATION FROM THE GENERAL FUND EACH MONTH. IF SUBSEQUENT ACTUAL EXPERIENCE DEVIATES FROM THE ANTICIPATED EXPERIENCE UPON WHICH THE AMOUNT CERTIFIED WAS DETERMINED, THE ALLOCATION TO THE FIRST CLASS CITY TEACHERS RETIREMENT FUND ASSOCIATION INVOLVED NEXT FOLLOWING THE DISCOVERY OF THE DEVIATION SHALL BE ADJUSTED. IF THE STATE MAKES AN EXCESS EMPLOYER CONTRIBUTION TO A TEACHERS RETIREMENT FUND ASSOCIATION AS THE RESULT OF A FALSE OR WRONGFUL CERTIFICATION, THE STATE SHALL BE ENTITLED TO RECOVER THE EXCESS EMPLOYER CONTRIBUTION BY ANY APPROPRIATE MEANS, INCLUDING RECOVERY FROM FUTURE STATE ALLOCATIONS, STATE AID OR OTHER FUNDS PAYABLE TO THE SCHOOL DISTRICT IN WHICH THE ASSOCIATION IS LOCATED. IF AN EMPLOYEE OF THAT SCHOOL DISTRICT IS RESPONSIBLE FOR THE FALSE OR WRONGFUL CERTIFICATION, ANY EXCESS EMPLOYER CONTRIBUTION RECOVERED BY THE STATE SHALL BE THE OBLIGATION OF THE SCHOOL DISTRICT.)

Sec. 7. Minnesota Statutes 1984, section 355.208, is amended to read:

355.208 [EMPLOYER CONTRIBUTIONS.]

Contributions required under the agreement or modification entered into pursuant to section 355.207 to be made by political subdivisions employing teachers, and payments required by section 355.49, which shall apply to political subdivisions employing teachers, shall be paid by the (STATE) *political subdivisions*.

Sec. 8. Minnesota Statutes 1984, section 355.209, is amended to read:

355.209 [EMPLOYEE CONTRIBUTIONS; DEDUCTION FROM WAGES.]

After the date the agreement or modification is entered into pursuant to section 355.207, there shall be paid as a deduction from wages an employee contribution in an amount equal to the tax that would be imposed by the Federal Insurance Contribution Act if such service constituted employment within the meaning of that act. Contributions so made shall be paid into the contribution fund in partial discharge of the liability of the (STATE AND EACH) political subdivision in respect thereto. Failure to deduct such contribution shall not relieve the employee (OR THE STATE) or the political subdivision of liability therefor.

Sec. 9. Minnesota Statutes 1984, section 355.287, is amended to read:

355.287 [EMPLOYER CONTRIBUTIONS.]

Contributions required under the agreement or modification entered into pursuant to section 355.286 to be made by political subdivisions employing teachers, and payments required by section 355.49, which shall apply to political subdivisions employing teachers, shall be paid by the (STATE) *political subdivision*.

Sec. 10. Minnesota Statutes 1984, section 355.288, is amended to read:

355.288 [EMPLOYEE CONTRIBUTIONS; DEDUCTION FROM WAGES.]

After the date the agreement or modification is entered into pursuant to section 355.286, there shall be paid as a deduction from wages an employee contribution in an amount equal to the tax that would be imposed by the Federal Insurance Contribution Act if such service constituted employment within the meaning of that act. Contributions so made shall be paid into the contribution fund in partial discharge of the liability of the (STATE AND EACH) political subdivision in respect thereto. Failure to deduct such contribution shall not relieve the employee (OR THE STATE) or the political subdivision of liability therefor.

Sec. 11. Minnesota Statutes 1984, section 355.46, subdivision 3, is amended to read:

Subd. 3. [SOCIAL SECURITY CONTRIBUTIONS.] The employer taxes due with respect to employment by educational employees who have made their selection pursuant to section 218(d) (6) (C) of the Social Security Act, shall be paid in the following manner:

(a) (CONTRIBUTIONS REQUIRED FOR RETROACTIVE COVERAGE SHALL BE MADE IN THE MANNER PROVIDED IN SUBDIVISION 2.)

((B)) Contributions required to be made for current service by political subdivisions employing educational employees and payments required by section 355.49 shall be paid by the (STATE) *political subdivision*. The (STATE'S OBLIGATION FOR SERVICES PERFORMED SUBSEQUENT TO THE DATE OF THE AGREEMENT OR MODIFICATION SHALL BE PAID BY THE COMMISSIONER OF EMPLOYEE RELATIONS AT SUCH TIMES AND IN SUCH AMOUNTS AS MAY BE DETERMINED BY THE STATE AGENCY TO BE NECESSARY) *state shall make payments for services rendered prior to July 1, 1986.*

((C)) (b) Contributions required to be made with respect to educational employees of state departments and institutions and payments required by section 355.49 shall be paid by the departments and institutions in accordance with the provisions of sections 355.49 and 355.50.

Sec. 12. [APPROPRIATIONS.]

Subdivision 1. [TO AGENCIES INDICATED.] The sums indicated in this section are appropriated from the general fund to the agencies and for the purposes indicated, to be available for the fiscal years ending June 30 in the years indicated.

Subd. 2. [TO DEPARTMENT OF EDUCATION.] To the department of education to make the aid payments required by section 2, there is appropriated:

\$194,241,300 1987.

Subd. 3. [TO TEACHERS RETIREMENT ASSOCIATIONS IN CITIES OF THE FIRST CLASS.] To the commissioner of finance for payment of the state's obligation prescribed in Minnesota Statutes, sections 354.43, 354.55, subdivision 5, 355.46, 355.49, and 354A.12, subdivision 2, there is appropriated:

\$214,725,900 1986.

Sec. 13. [REPEALER; JULY 1, 1986.]

Minnesota Statutes 1984, sections 354.43, subdivisions 1, 4, and 5; 354A.12, subdivision 3; 355.46, subdivisions 1, 2, and 5; and 355.47, are repealed.

Sec. 14. [EFFECTIVE DATES.]

Subdivision 1. Sections 5 to 12 are effective July 1, 1985, for covered employees of area vocational technical institutes and July 1, 1986, for all other covered employees of school districts.

Subd. 2. Section 13 is effective July 1, 1986."

Delete the title and insert:

"A bill for an act relating to education; providing for aids to education, aids to libraries, state payments for teacher retirement contributions, and the distribution of tax revenues; granting certain powers and duties to school boards, school districts, the state board of education, the board of teaching, and the higher education coordinating board; modifying certain components of foundation aid; modifying the basic maintenance mill rate; modifying computation of pupil units; repealing revenue equity; modifying the computation of summer program aid, transportation aid, special education aid, secondary vocational aid, and other aids; establishing an aid and levy formula for excellence in teaching and curriculum; providing for measurement of pupil progress; establishing mastery learning pilot projects; requiring assessment of new teachers; appropriating money; amending Minnesota Statutes 1984, sections 120.06, subdivision 1; 120.10, subdivision 1; 120.11; 120.15; 120.17, subdivision 3, and by adding a subdivision; 121.88; 121.882, subdivision 2, and by adding a subdivision; 121.904, subdivisions 4a and 4c; 121.912, subdivision 1; 122.86, subdivision 1; 123.36, subdivision 1; 123.58, by adding a subdivision; 123.705, subdivision 1; 123.742, subdivision 7, and by adding subdivisions; 123.7431, subdivision 1; 124.09; 124.14, subdivision 4; 124.17, by adding subdivisions; 124.19, subdivision 1; 124.195, subdivision 9; 124.2138, subdivision 2; 124.223; 124.225, subdivisions 1, 3, 4b, 7a, 7b, 8a, 8b, and 10; 124.247, subdivision 3; 124.26, subdivisions 1 and 6; 124.271, subdivision 2b, and by adding a subdivision; 124.2711, subdivision 1; 124.272, subdivision 3; 124.273, subdivision 1b; 124.32, subdivisions 1b, 1d, 2, 5, and 10; 124.48, by adding a subdivision; 124.573, subdivision 2; 124.574, subdivision 2b; 124.646, subdivision 1; 124A.02, subdivisions 6, 7, 8, 9, 16, and by adding a subdivision; 124A.03, subdivisions 3, 4, and by adding a subdivision; 124A.033, subdivisions 2 and 3, and by adding a subdivision; 124A.037; 124A.06, subdivisions 1 and 3a; 124A.08, subdivisions 3a and 5; 124A.10, subdivision 3a; 124A.12, subdivision 3a; 124A.14, subdivision 5a; 124A.16, subdivisions 2 and 4; 125.05, subdivisions 1 and 5; 125.12, by adding a subdivision; 125.17, by adding a subdivision; 125.185, subdivi-

sion 4; 125.60, subdivisions 3 and 7; 126.64, subdivision 2; 129B.17; 129B.20; 129B.21; 129B.35; 129B.36; 129B.38, subdivision 1; 129B.39; 129B.40; 134.31, subdivisions 2 and 3; 134.35; 134.351, subdivision 1; 136D.27; 136D.74, subdivision 2; 136D.-87; 275.125, subdivisions 5b, 5d, 8, and 8a, and by adding subdivisions; 354.06, subdivision 1; 354.43, subdivision 3; 354A.12, subdivision 2; 355.208; 355.209; 355.287; 355.288; 355.46, subdivision 3; and Laws 1973, chapter 683, section 26, subdivision 17, as amended; proposing coding for new law in Minnesota Statutes, chapters 121; 123; 124; 126; 129B; 134; 136A; repealing Minnesota Statutes 1984, sections 120.17, subdivision 1a; 120.172, subdivision 3; 122.84; 122.85; 122.89; 123.3511; 123.-3512; 123.3513; 124.201, subdivisions 3, 4, and 5; 124.2138, subdivision 2; 124.225, subdivisions 4a, 8c, 8d, 8e, 8f, 8g, and 8h; 124.247, subdivision 6; 124.271, subdivisions 2 and 2a; 124.273, subdivisions 2b and 5; 124.32, subdivision 9a; 124A.03, subdivision 5; 124A.035, subdivision 6; 124A.037; 125.611, subdivisions 3, 4, 5, 6, and 7; 126.64, subdivision 1; 129B.03; 129B.33; 129B.-34; 275.125, subdivision 2j; 354.43, subdivisions 1, 4, and 5; 354A.12, subdivision 3; 355.46, subdivisions 1, 2, and 5; and 355.47."

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

The report was adopted.

Knickerbocker from the Committee on Governmental Operations to which was referred:

H. F. No. 229, A bill for an act relating to retirement; early retirement without reduction in annuities; amending Minnesota Statutes 1984, section 356.70, subdivision 1.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1984, section 356.70, subdivision 1, is amended to read:

Subdivision 1. [COMBINED AGE AND SERVICE REQUIREMENT.] Any member of a retirement plan established pursuant to chapters 352, 353, 354, or 354A who has attained the age of at least 55 years and whose attained age plus credited allowable service totals *at least 85 prior to January 1, 1987*, is entitled, upon *valid application and termination of service* prior to (DECEMBER 31, 1986) *July 1, 1987*, to the normal retirement annuity provided in these chapters without any reduction in annuity by reason of such early retirement."

With the recommendation that when so amended the bill pass.

The report was adopted.

Knickerbocker from the Committee on Governmental Operations to which was referred:

H. F. No. 237, A bill for an act relating to retirement; authorizing state aid for the University of Minnesota police department; amending Minnesota Statutes 1984, section 69.011, subdivision 1.

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

The report was adopted.

Fjoslien from the Committee on General Legislation and Veterans Affairs to which was referred:

H. F. No. 325, A bill for an act relating to elections; regulating lobbyist and candidate activities and contributions; proposing coding for new law in Minnesota Statutes, chapter 10A.

Reported the same back with the following amendments:

Page 1, line 11, delete "*, other than a candidate for a judicial office,*"

Page 1, line 14, delete "*, other*"

Page 1, line 15, delete "*than a candidate for a judicial office,*"

Page 1, delete lines 19 to 23

Page 1, line 24, delete "*4*" and insert "*3*"

With the recommendation that when so amended the bill pass.

The report was adopted.

Halberg from the Committee on Judiciary to which was referred:

H. F. No. 330, A bill for an act relating to courts; providing that venue for hearings for certain pregnant women shall be the county in which the woman resides; amending Minnesota Statutes 1984, section 144.343, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, line 11, delete "*county*" and insert "*judicial district*"

Amend the title as follows:

Page 1, line 3, delete "county" and insert "judicial district"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 380, A bill for an act relating to the city of South St. Paul; providing for the financing of certain public improvements.

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

The report was adopted.

Halberg from the Committee on Judiciary to which was referred:

H. F. No. 543, A bill for an act relating to human rights; removing a statutory prohibition on waiver of remedies under the human rights act; repealing Minnesota Statutes 1984, section 363.031.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1984, section 363.031, is amended to read:

363.031 [LIMITATIONS ON WAIVER (PROHIBITED).]

Subdivision 1. [PROSPECTIVE WAIVER PROHIBITED.] Any provision, whether oral or written, of a lease, contract, or other agreement or instrument, which purports to be a waiver by an individual of any right or remedy provided in chapter 363 is contrary to public policy and void (. NOTHING IN THIS SECTION SHALL BE CONSTRUED TO PREVENT A WAIVER GIVEN IN FULL AND FINAL WRITTEN SETTLEMENT OF AN EXISTING, IDENTIFIED CLAIM, WHETHER BY GRIEVANCE, MEDIATION, ARBITRATION, OR OTHER SETTLEMENT AGREEMENT) if the waiver or release purports to waive claims arising out of acts or practices which occur after the execution of the waiver or release.

Subd. 2. [RESCISSION OF WAIVER.] A waiver or release of rights or remedies secured by chapter 363 which purports to apply to claims arising out of acts or practices prior to, or concurrent with, the execution of the waiver or release may be rescinded within seven calendar days of its execution, except that a waiver or release given in settlement of a claim filed with the department or with another administrative agency or judicial body is valid and final upon execution. A waiving or releasing party shall be informed in writing of the right to rescind the waiver or release. To be effective, the rescission must be in writing and delivered to the waived or released party either by hand or mail within the seven-day period. If delivered by mail, the rescission must be:

- (1) postmarked within the seven-day period;*
- (2) properly addressed to the waived or released party; and*
- (3) sent by certified mail return receipt requested.*

Sec. 2. [EFFECTIVE DATE.]

Section 1, subdivision 1, is effective retroactive to August 1, 1984."

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon and insert "prohibiting the waiver of legal rights or remedies in certain human rights cases; establishing standards for waiver rescission; amending"

Page 1, delete line 3

Page 1, line 4, delete everything before "Minnesota"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 606, A bill for an act relating to liquor; authorizing issuance of off-sale wine licenses to food stores; regulating sales; prohibiting the same person from being licensed as both liquor wholesaler and retailer; amending Minnesota Statutes 1984, sections 340.07, subdivision 13, and by adding a subdivision; 340.11, subdivisions 13 and 14; 340.13, by adding a subdivision; and 340.14, subdivisions 1 and 3.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1984, section 340.07, subdivision 13, is amended to read:

Subd. 13. "Exclusive liquor store" is an on-sale or off-sale, or combination on-sale and off-sale, establishment used exclusively for the sale of intoxicating liquor at retail and under the control of an individual owner or manager and as an incident thereof may also sell cigars, cigarettes, ice, all forms of tobacco, non-intoxicating malt beverages, and soft drinks at retail, and may offer recorded or live entertainment, and make available coin-operated amusement devices. *An exclusive off-sale liquor store, including a municipal liquor store, may also sell food for consumption off the licensed premises, provided that the store does not utilize more than 25 percent of its total retail floor space for the dispensing and display of food.* An exclusive liquor store includes an on-sale or combination on-sale and off-sale establishment operating a restaurant or selling food for consumption on the premises when authorized by the municipality issuing the license or owning or operating the exclusive liquor store, as the case may be.

Sec. 2. Minnesota Statutes 1984, section 340.11, is amended by adding a subdivision to read:

Subd. 20a. [OFF-SALE WINE LICENSES.] *A statutory or home rule city, including a city which operates a municipal liquor store, may issue off-sale wine licenses, in a number to be determined by the governing body thereof, to general food stores within the city. The licenses authorize the sale of wine containing not more than 21 percent alcohol by volume, for consumption off the licensed premises. The restrictions in section 340.13, subdivision 3, do not apply to licenses issued under this subdivision. All provisions of this chapter apply to licenses issued under this subdivision except as otherwise specified. Days and hours for the sale of wine under this subdivision are the same as those provided for off-sales under section 340.14, subdivision 1. The maximum fee for a license under this subdivision is \$100.*

No license under this subdivision may be issued to a general food store which also sells motor fuel at retail.

A general food store which has been issued a license under this subdivision may not be open for business during any period in which its license, including any license issued under section 340.02, is suspended, and may not be open for business within 30 days of the effective date of a license revocation, including a revocation of any license issued under section 340.02.

Sec. 3. Minnesota Statutes 1984, section 340.13, is amended by adding a subdivision to read:

Subd. 15. [RETAILER PROHIBITED FROM OBTAINING WHOLESALE LICENSE.] No person may be issued both a retailer and a wholesaler license.

Sec. 4. Minnesota Statutes 1984, section 340.14, subdivision 3, is amended to read:

Subd. 3. [SALES; WHERE FORBIDDEN.] No intoxicating liquors shall be sold in any of the following places:

- (1) Within the capitol or upon the grounds thereof;
- (2) Upon the state fairgrounds or at any place in a city of the first class within one-half mile of such fairgrounds except as hereinafter otherwise provided by charter;
- (3) Upon the campus of the institute of agriculture of the University of Minnesota or at any place in a city of the first class within one-half mile of such campus except as hereinafter otherwise provided by charter. The city may issue one on-sale wine license to a vendor in the territory described in this clause that is not also included in the territory described in clause (2). The license is in addition to any others permitted in the city by other law or charter;
- (4) Within 1,000 feet of any state hospital, training school, reformatory, prison, or other institution under the supervision and control, in whole or in part, of the commissioner of human services or the commissioner of corrections. Whoever sells or otherwise disposes of intoxicating liquor at retail at a place prohibited by this clause is guilty of a gross misdemeanor;
- (5) In any town or municipality in which a majority of votes at the last election at which the question of license was voted upon shall not have been in favor of license, or within one-half mile of any such municipality, except that any intoxicating liquor, manufactured within any such district, may be sold to be consumed outside of such district;
- (6) At any place on the east side of the Mississippi River within one-tenth mile of the main building of the University of Minnesota unless the licensed establishment is on property owned or operated by a nonprofit corporation organized prior to January 1, 1940 for and by former students of the University of Minnesota; a license may be issued under this clause notwithstanding any local law to the contrary;
- (7) Within 1,500 feet of any state university, except as hereinafter provided, or, when the place of sale is not within a mu-

municipality, within 1,500 feet of any public school outside of a municipality; within 1,500 feet at St. Cloud State University except for one wine and two off-sale licenses only, and within 1,200 feet at Winona State University, and at Southwest State University. In determining the distance, the measurement shall be along the most direct line from the nearest corner of the administration building of the university to the main entrance of the licensed premises; as to Mankato State University in the city of Mankato when the place of sale is within 1,500 feet as measured from the front door of the student union of the Highland campus;

(8) At more than five places on any one side of a block within and fronting upon the patrol limits of cities of the first class;

(9) The restrictions imposed by this subdivision shall not apply to any manufacturer or wholesaler of intoxicating liquors or to a drug store or to any person lawfully licensed to sell intoxicating liquor immediately prior to the enactment of this subdivision, *or to a general food store with an off-sale wine license.*"

Delete the title and insert:

"A bill for an act relating to intoxicating liquor; allowing cities to issue licenses for the sale of wine in general food stores; allowing exclusive off-sale liquor stores to sell food products under certain circumstances; amending Minnesota Statutes 1984, sections 340.07, subdivision 13; 340.11, by adding a subdivision; 340.13, by adding a subdivision; and 340.14, subdivision 3."

With the recommendation that when so amended the bill pass.

The report was adopted.

Knickerbocker from the Committee on Governmental Operations to which was referred:

H. F. No. 607, A bill for an act relating to retirement; authorizing municipalities to establish and finance defined contribution plans for municipal ambulance and rescue volunteers; amending Minnesota Statutes 1984, sections 356.24; and 356.25; proposing coding for new law in Minnesota Statutes, chapter 424A.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1984, section 356.24, is amended to read:

356.24 [SUPPLEMENTAL PENSION OR DEFERRED COMPENSATION PLANS, RESTRICTIONS UPON GOVERNMENT UNITS.]

It is unlawful for a school district or other governmental subdivision or state agency to levy taxes for, or contribute public funds to a supplemental pension or deferred compensation plan which is established, maintained and operated in addition to a primary pension program for the benefit of the governmental subdivision employees other than to a supplemental pension plan which was established, maintained and operated prior to May 6, 1971, to any plan which provides solely for group health, hospital, disability or death benefits (OR), to any plan which provides solely for severance pay as authorized pursuant to section 465.72 to a retiring or terminating employee, *or to a defined contribution plan for municipal ambulance and rescue volunteers established and operated pursuant to sections 3 to 14.* No change in benefits or employer contributions in any plan to which this section applies after May 6, 1971 shall be effective without prior legislative authorization.

Sec. 2. Minnesota Statutes 1984, section 356.25, is amended to read:

356.25 [LOCAL GOVERNMENTAL PENSION FUND PROHIBITIONS; EXCLUSIONS.]

Notwithstanding any other provision of law or charter, no city, county, public agency or instrumentality, or other political subdivision shall, after August 1, 1975, establish for any of its employees any local pension plan or fund financed in whole or in part from public funds, other than a volunteer firefighter's relief association established pursuant to chapter 424A and governed by sections 69.771 to 69.776, *or to a defined contribution plan for municipal ambulance and rescue volunteers established and operated pursuant to sections 3 to 14.*

Sec. 3. [424B.01] [DEFINITIONS.]

Subdivision 1. As used in sections 3 to 14, the following terms have the meanings given.

Subd. 2. "Volunteer" means a municipal ambulance and rescue volunteer and includes each person who participates in ambulance and rescue activities operated under the direction of and with financial support from a municipality and who is enrolled on the roster of municipal ambulance and rescue volunteers.

Subd. 3. "Municipality" means a home rule or statutory city, county, town, hospital district, or joint powers entity, which utilizes volunteers to carry out or help carry out municipal ambulance and rescue activities.

Subd. 4. "Defined contribution fund" means a separate fund of the municipality dedicated to the payment of distributions to municipal ambulance and rescue volunteers.

Subd. 5. "Separate from active service" means to cease to perform municipal ambulance and rescue duties under local ordinance or resolution governing the activities of the ambulance and rescue volunteers and cease to supervise municipal ambulance and rescue activities.

Sec. 4. [424B.02] [AUTHORITY.]

A municipality may by ordinance or resolution establish a defined contribution plan for its municipal ambulance and rescue volunteers with administrative responsibilities delegated to the municipal finance officer or department.

Sec. 5. [424B.03] [DEFINED CONTRIBUTION FUND.]

Subdivision 1. A municipality electing to establish a plan shall establish a defined contribution fund with an individual account for each person who is a volunteer. Contributions to individual accounts shall be made in equal amounts to all volunteers, or be based on a participation schedule adopted by municipal ordinance or resolution. A schedule may provide:

(1) equal share contributions based on minimum participation levels that must be met by volunteers; or

(2) prorated shares based on actual participation rates of volunteers.

Each individual account shall be credited with an appropriate share of:

(1) any defined contribution amount specified by the municipality and raised from available municipal revenue sources;

(2) gifts, charitable contributions, proceeds of fund-raising activities, and other nonmunicipal revenue sources;

(3) any amounts equal to the share of the assets of the defined contribution fund to the credit of a former volunteer who terminates active service prior to meeting the minimum service requirement provided for in section 6; and

(4) interest or investment income earned on the assets of the defined contribution fund in proportion to the share of the assets of the defined contribution fund to the credit of each individual account.

Subd. 2. A volunteer shall not be deemed to have separated from active service nor shall assets be divided among the individual accounts of active volunteers due to a volunteer's failure to meet minimum participation levels set for purposes of determining contributions to individual accounts.

Subd. 3. A volunteer who is participating in ambulance and rescue activities for a municipality on the date the municipality establishes a defined contribution plan under sections 3 to 14 shall receive credit for previous years of active service for qualification purposes but shall not have contributions credited to his or her individual account for the previous years of active service.

Subd. 4. A municipality shall not require volunteers to contribute to individual accounts, nor shall volunteers be allowed to elect to contribute to individual accounts.

Sec. 6. [424B.04] [QUALIFICATION REQUIREMENTS.]

Subdivision 1. In order to qualify for a distribution from the defined contribution fund, a volunteer must:

(1) complete at least five years of active service as a member of the municipal ambulance and rescue volunteers;

(2) separate from active service with the municipal ambulance and rescue volunteers;

(3) reach the age of 55 years or be totally and permanently disabled; and

(4) comply with any additional requirements prescribed by local ordinance or other resolution of the municipality. No ordinance or resolution shall prescribe an active service requirement in excess of ten years.

Subd. 2. A member of a volunteer firefighters' relief association may have an individual account established by the municipality within a defined contribution fund only if volunteer ambulance and rescue activities are not a part of the normal activities performed as a volunteer firefighter.

Sec. 7. [424B.05] [REQUALIFICATION REQUIREMENTS.]

A volunteer who has separated from active service before fulfilling the qualifications of section 6 and whose individual account has been lawfully divided among the individual accounts of active volunteers shall requalify for a distribution only after again fulfilling the requirements of section 6, except that the

volunteer shall receive credit for the previous years of active service for requalification purposes. The assets previously divided among the individual accounts of other active volunteers shall not be restored or credited to the individual account of the returning volunteer.

A volunteer who has separated from active service and received a distribution shall requalify for another distribution only after again fulfilling the requirements of section 6 but shall not receive credit for the previous years of active service. Assets previously distributed to the volunteer shall not be restored or credited to the individual account of the returning volunteer nor shall the volunteer be allowed to repay such assets.

Sec. 8. [424B.06] [PAYMENT OF DEFINED CONTRIBUTION FUND DISTRIBUTIONS.]

At the time of retirement, disability, or death, a volunteer who fulfills the requirements of section 6 or the designated beneficiary in the case of death, is entitled to that portion of the assets of the defined contribution fund credited to the volunteer's individual account. The municipality shall pay out of the assets of the defined contribution fund a distribution to each volunteer who is so entitled. For any permanently disabled or deceased volunteer who fulfilled the requirements of section 6, the distribution shall be paid to the former volunteer or to a designated beneficiary or the estate on behalf of a deceased volunteer.

Sec. 9. [424B.07] [DISTRIBUTION OF ASSETS UPON DISSOLUTION IN CERTAIN CASES.]

If the municipality dissolves or eliminates the ambulance and rescue activities operated under its direction, the municipality shall distribute the assets and dissolve the defined contribution fund in the following manner:

(1) Within six months after the dissolution of the ambulance and rescue activities, the municipality shall convert all assets of the defined contribution fund to cash or negotiable instruments.

(2) The municipality then shall credit to the volunteers' individual accounts any assets not already credited.

(3) After crediting all assets to individual accounts, the municipality shall distribute the assets to the volunteers.

Sec. 10. [424B.08] [TRANSFER OF INDIVIDUAL ACCOUNTS IN CERTAIN CASES.]

A volunteer who separates from active service in one municipality in order to begin active service in another municipali-

ty shall have his or her individual account and assets transferred to the defined contribution fund of the other municipality if the other municipality maintains a defined contribution fund.

**Sec. 11. [424B.09] [DISTRIBUTIONS; NONASSIGN-
ABLE.]**

A distribution paid or payable from the defined contribution fund shall not be subject to garnishment, judgment, execution, or other legal process, except as provided in section 518.611. No person entitled to a distribution may assign any distribution nor shall the municipality have the authority to recognize any assignment or pay over any sum purportedly assigned.

**Sec. 12. [424B.10] [INVESTMENT OF DEFINED CON-
TRIBUTION FUND.]**

The assets of the defined contribution fund shall be invested only in securities authorized by section 69.775.

**Sec. 13. [424B.11] [AUDIT OF DEFINED CONTRIBU-
TION FUND.]**

The municipality shall provide for an annual audit of the defined contribution fund by the auditor or accountant who regularly examines or audits the financial transactions of the municipality.

**Sec. 14. [424B.12] [ALTERNATIVE DEFINED CON-
TRIBUTION PLAN.]**

Rather than establishing a defined contribution plan authorized in section 4, the municipality may establish a plan and make contributions on behalf of a volunteer to a simplified employee pension pursuant to section 219 of the Internal Revenue Code of 1954, as amended."

Delete the title and insert:

"A bill for an act relating to retirement; authorizing municipalities to establish and finance defined contribution plans for municipal ambulance and rescue volunteers; amending Minnesota Statutes 1984, sections 356.24; and 356.25; proposing coding for new law as Minnesota Statutes, chapter 424B."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 649, A bill for an act relating to St. Louis county; fixing the maximum amount of the county emergency fund; amending Minnesota Statutes 1984, section 383C.016.

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

The report was adopted.

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

H. F. No. 760, A bill for an act relating to cities of the first class; authorizing the cities to regulate taxicabs.

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

The report was adopted.

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

H. F. No. 773, A bill for an act relating to recreation; establishing study of need for motor sports facility; appropriating money.

Reported the same back with the following amendments:

Page 1, line 19, delete "*on or before*" and insert a period

Page 1, delete section 2

Amend the title as follows:

Page 1, line 3, delete "; appropriating money"

With the recommendation that when so amended the bill pass.

The report was adopted.

Knickerbocker from the Committee on Governmental Operations to which was referred:

H. F. No. 784, A bill for an act relating to retirement; state employees retirement system; reversing the workers' compensation offset; allowable service computation for leaves of absence; deferred annuities; disability benefits; amending Minnesota Statutes 1984, sections 176.021, subdivision 7; 352.01, subdivision 11; 352.22, subdivision 3; and 352B.10; repealing Minnesota Statutes 1984, section 352.113, subdivision 5.

Reported the same back with the following amendments:

Page 1, line 27, after the period insert "*Notwithstanding the provisions of section 176.132, a deduction under this subdivision does not entitle an employee to supplemental benefits under section 176.132.*"

Page 7, after line 20, insert:

"Sec. 5. Minnesota Statutes 1984, section 352.95, subdivision 1, is amended to read:

Subdivision 1. Any covered correctional employee less than 55 years of age who shall become disabled and physically unfit to perform the duties of the position as a direct result of an injury, sickness, or other disability incurred in or arising out of any act of duty which shall render the employee physically or mentally unable to perform the duties, shall be entitled to a disability benefit based on covered correctional service only, in an amount equal to 50 percent of the average salary defined in section 352.93, plus an additional (TWO) 2-1/2 percent for each year of covered correctional service in excess of 20 years *but not in excess of 25 years, and two percent for each year of covered correctional service in excess of 25 years, pro-rated for completed months, to a maximum monthly benefit of 75 percent of the average monthly salary.*"

Renumber the sections

Amend the title as follows:

Page 1, line 7, delete "and"

Page 1, line 8, after the semicolon insert "and 352.95, subdivision 1;"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 907, A bill for an act relating to Ramsey county; providing for the creation, organization, powers, and duties of a personnel system; providing penalties; amending Minnesota Statutes 1984, sections 383.405; and 383A.41, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 383A; repealing Minnesota Statutes 1984, sections 383A.28; 383A.29; 383A.30; and 383A.31.

Reported the same back with the following amendments:

Page 3, line 8, after the semicolon insert "and"

Page 3, line 9, delete "and"

Page 3, delete line 10

Page 8, line 18, delete "REINSTATMENT" and insert "RE-INSTATEMENT"

Page 17, line 15, after "shall" insert "*request the chief administrative law judge to*"

Page 17, line 26, delete "*of receipt of the*" and insert "*after the close of the hearing record*"

Page 17, line 27, delete everything before the comma

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

The report was adopted.

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

H. F. No. 970, A bill for an act relating to the city of South St. Paul; authorizing the expenditure of certain tax increments to pay costs of a combined storm-sanitary sewer separation project.

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

The report was adopted.

Knickerbocker from the Committee on Governmental Operations to which was referred:

H. F. No. 1009, A bill for an act relating to retirement; state employees; extending coverage to state employees on leave of absence with an exclusive bargaining agent; amending Minnesota Statutes 1984, section 352.029.

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

The report was adopted.

Fjoslien from the Committee on General Legislation and Veterans Affairs to which was referred:

H. F. No. 1033, A bill for an act relating to veterans; reestablishing the board of governors of the Big Island Veterans Camp; providing for its appointment and duties; transferring certain state land to the board; providing for the possible disposition of the land by the board; proposing coding for new law in Minnesota Statutes, chapter 197; repealing Minnesota Statutes 1984, sections 197.13; 197.15; 197.16; 197.17; 197.18; and 197.19.

Reported the same back with the following amendments:

Page 1, line 16, delete "*eight*" and insert "*nine*"

Page 1, line 20, after "*Wars*" insert "*and one member of the Vietnam Veterans of America*"

With the recommendation that when so amended the bill pass.

The report was adopted.

Knickerbocker from the Committee on Governmental Operations to which was referred:

H. F. No. 1040, A bill for an act relating to retirement; public employees police and fire fund; retirement with 30 years of service; actuarial reduction; amending Minnesota Statutes 1984, section 353.651, by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1984, section 176.021, subdivision 7, is amended to read:

Subd. 7. [PUBLIC OFFICER.] If an employee who is a public officer of the state or governmental subdivision continues to receive the compensation of his office during a period when he is receiving benefits under the workers' compensation law for temporary total or temporary partial disability or permanent total disability and the compensation of his office exceeds \$100 a year, the amount of that compensation attributable to the period for which benefits under the workers' compensation law are paid shall be deducted from such benefits. *If an employee covered by retirement benefits pursuant to chapters 352, 353, and 354 receives total and permanent disability benefits pursuant to section 352.113, 353.33, or 354.48 or disability benefits pursuant to section 352.95, 352B.10, or 353.656, the amount of disability benefits shall be deducted from workers' compensation benefits otherwise payable.*

Sec. 2. Minnesota Statutes 1984, section 353.27, subdivision 12, is amended to read:

Subd. 12. [OMITTED SALARY DEDUCTIONS; OBLIGATIONS.] In the case of omission of required deductions from salary of an employee, past due for a period of 60 days or less, the head of the department shall deduct from the employee's next salary payment and forthwith remit to the executive director the amount of the employee contribution delinquency, with cumulative interest thereon at the rate of six percent per annum, compounded annually, from the date or dates each delinquent employee contribution was first payable, such interest to be paid by the employer. To the extent that any such omitted required deductions are not paid by the employee, they shall constitute a liability of the governmental subdivision which failed to make said required deductions, with interest thereon as hereinbefore specified. After July 1, 1973, any such omitted required deductions, past due for a period in excess of 60 days, shall become the sole obligation of the governmental subdivision from the time such deductions were first payable, together with interest thereon as hereinbefore specified. Any amount so due, together with employer and additional employer contributions at the rates and in the amounts specified in subdivisions 3 and 3a, with interest thereon at the rate of six percent compounded annually from the date they were first payable, shall be paid from the proceeds of a tax levy made pursuant to section 353.28, or from other funds available to the employer. Unless otherwise indicated, this subdivision shall have both retroactive and prospective application, and the governmental subdivision is liable retroactively and prospectively for all amounts due hereunder. No action for the recovery of delinquent employee and employer contributions or interest thereon shall be commenced (AND NO PAYMENT OF DELINQUENT CONTRIBUTIONS SHALL BE MADE OR ACCEPTED) after the expiration of three calendar years next following the calendar year in which the contributions were omitted.

Sec. 3. Minnesota Statutes 1984, section 353.651, is amended by adding a subdivision to read:

Subd. 4. [RETIREMENT WITH 30 YEARS SERVICE.] Any member of the police and fire fund with 30 years or more of allowable service credit may elect retirement prior to age 55. In the event of this election the member shall receive an annuity reduced by one-quarter percent for each month the member is under age 55 at the time of retirement.

Sec. 4. Minnesota Statutes 1984, section 353.656, subdivision 1, is amended to read:

Subdivision 1. [IN LINE OF DUTY; COMPUTATION OF BENEFITS.] Any member of the police and fire fund less than 55 years of age, who shall become disabled and physically unfit to perform his duties as a police officer or fire fighter subsequent to June 30, 1973, as a direct result of an injury, sickness, or other disability incurred in or arising out of any act of duty, which shall render him physically or mentally unable to perform his duties as a police officer or fire fighter, shall receive disability benefits during the period of such disability. The benefits shall be in an amount equal to 50 percent of the "average salary" pursuant to subdivision 3 plus an additional (TWO) 2.5 percent of said "average salary" for each year of service in excess of 20 years but not exceeding 25 years and two percent for each year thereafter. Should disability under this subdivision occur before the member has at least five years of allowable service credit in the police and fire fund, the disability benefit shall be computed on the "average salary" from which deductions were made for contribution to the police and fire fund.

Sec. 5. [REPEALER.]

Minnesota Statutes 1984, sections 352.113, subdivision 5; 353.33, subdivision 5; 353.656, subdivision 2; and 354.48, subdivision 5, are repealed.

Sec. 6. [EFFECTIVE DATE.]

Sections 1 to 5 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to retirement; public employees retirement association; offset of disability benefits against workers' compensation benefits; delinquent contributions; police and fire retirement formula; amending Minnesota Statutes 1984, sections 176.021, subdivision 7; 353.27, subdivision 12; 353.651, by adding a subdivision; and 353.656, subdivision 1; repealing Minnesota Statutes 1984, sections 352.113, subdivision 5; 353.33, subdivision 5; 353.656, subdivision 2; and 354.48, subdivision 5."

With the recommendation that when so amended the bill pass.

The report was adopted.

Rose from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 1058, A bill for an act relating to natural resources; establishing a youth conservation corps to promote employment of youths and young adults; redefining hazardous waste; increasing the tax on cigarettes; appropriating money for various natural resource-related projects, a youth conservation corps, and lime sludge removal; amending Minnesota Statutes 1984, sections 116.06, subdivision 13; 297.02, subdivision 1; and 297.22, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 84C.

Reported the same back with the following amendments:

Page 2, line 18, delete "needed" and after "assistance" insert "*without the dislocation of regular employees*"

Page 7, line 28, after the period insert "*The exclusive bargaining representative shall be notified no less than 14 days in advance of any placement of corps members. Prior sign off with respect to job duties of persons placed as corps members shall be obtained from the appropriate exclusive bargaining representative.*"

The advisory council shall be given monthly lists of all job placements by the youth conservation corps."

Pages 10 and 11, delete section 6

Page 11, delete line 32 and insert "*sections 6 and 7*"

Page 11, line 34, after "appropriated" insert "*annually*"

Page 11, delete line 35

Page 11, line 36, delete "*amounts and for*"

Page 12, line 1, after the period insert "*Expenditures shall be made in the categories of:*"

I. Fishing and water management related activities.

II. Land conservation and wildlife habitat improvement.

III. Outdoor recreation related activities.

IV. Youth education and development purposes."

Page 12, delete line 3, and insert:

"Category I

\$....."

Page 12, delete line 12, and insert:

"Category I

"

Page 12, delete line 18, and insert:

"Category I

"

Page 12, line 30, delete everything after the period

Page 12, delete lines 31 through 39

Page 12, delete line 42, and insert:

"Category III

"

Page 12, delete line 53

Page 13, delete lines 1 through 24

Page 13, delete line 26, and insert:

"Category II

"

Page 13, delete line 41, and insert:

"Category III

"

Page 14, delete line 1, and insert:

"Category III

"

Page 14, delete lines 10 through 25

Page 14, delete line 28, and insert:

"Category I

"

Page 14, delete line 40, and insert:

"Category III

"

Page 15, delete line 5, and insert:

"Category II

"

Page 15, delete lines 13 and 14

Page 15, delete line 16, and insert:

"Category II"

Page 15, delete line 29, and insert:

"Category I"

Page 15, delete line 39, and insert:

"Category III"

Page 15, delete line 48, and insert:

"Category III"

Page 16, delete line 6, and insert:

"Category II"

Page 16, delete line 19, and insert:

"Category II"

Page 16, delete line 37, and insert:

"Category II"

Page 16, delete line 51, and insert:

"Category II"

Page 17, delete lines 20 through 38, and insert:

"Subd. 20. YOUTH CONSERVATION CORPS.

Category IV"

For purposes of operating the youth conservation work program.

Subd. 21. GROUNDWATER QUANTIFICATION STUDIES.

Category I

Groundwater resources will be evaluated for unquantified aquifer systems having significant current or potential development. Emphasis will be on buried drift aquifer systems consistent with the rec-

ommendations of the former water planning board. A portion of this amount may be used to match the United States Geological Survey for cooperative groundwater studies. A portion may be used for county geologic atlases in accordance with priorities established by the commissioner of natural resources and the director of the Minnesota geological survey.

Subd. 22. WORK PROGRAMS.

It is a condition of acceptance of the appropriations made by this section that the agency or entity receiving the appropriation must submit work programs and semi-annual progress reports in the form determined by the legislative commission on Minnesota resources. None of the money provided in this section may be spent unless the commission has approved the pertinent work program. Upon request from the commission, the agency head shall submit an evaluation by July 1, 1986, as to whether the program should be incorporated in the next agency budget.

Subd. 23. COMPLEMENT TEMPORARY.

Persons employed by a state agency and paid by an appropriation in this section are in the unclassified civil service, and their continued employment is contingent upon the availability of money from the appropriation. When the appropriation has been spent, their positions shall be canceled and the approved complement of the agency reduced accordingly. Part-time employment of persons is authorized.

Sec. 9. [APPROPRIATION.]

\$140,000 is appropriated from the general fund to the commissioner of natural resources for the cross country ski trail program to be available until June 30, 1986.

Sec. 10. [EFFECTIVE DATE.]

This act is effective July 1, 1985."

Renumber the subdivisions in sequence

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, delete "redefining hazardous waste;"

Page 1, line 6, after the comma insert "and"

Page 1, line 7, after "corps" delete ", and lime sludge removal"

Page 1, lines 8 and 9, delete "116.06, subdivision 13;"

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

The report was adopted.

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

H. F. No. 1080, A bill for an act relating to economic development; adding definitions to the Minnesota energy and economic development authority law; clarifying purposes of the economic development fund; adding development power and authority; restricting the duties of the energy and economic development authority and enlarging the duties of the commissioner of energy and economic development; extending the life of the Minnesota manufacturing growth council; amending Minnesota Statutes 1984, sections 116M.03, subdivisions 10, 11, 13, and by adding subdivisions; 116M.04, subdivision 1; 116M.06, subdivisions 2, 4, and 11; 116M.07, subdivisions 1, 2, 11, 12, and by adding a subdivision; 116M.08, subdivisions 11, 13, 16, 19, 20, and by adding subdivisions; 116M.10, subdivision 5; 474.01, subdivisions 6, 7b, 8, and 11; and Laws 1984, chapter 654, article 2, section 151, subdivision 5.

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

The report was adopted.

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

H. F. No. 1146, A bill for an act relating to occupations and professions; regulating the licensing of salons for estheticians; amending Minnesota Statutes 1984, section 155A.08, subdivision 2.

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

The report was adopted.

Halberg from the Committee on Judiciary to which was referred:

H. F. No. 1161, A bill for an act relating to corporations; providing for access by shareholders to certain corporate records; protecting the privacy of individuals; clarifying legislative intent; amending Minnesota Statutes 1984, section 302A.461, subdivision 5, and by adding subdivisions; repealing Minnesota Statutes 1984, section 302A.461, subdivision 4.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1984, section 302A.011, is amended by adding a subdivision to read:

Subd. 40. [PUBLICLY-HELD CORPORATION.] "Publicly-held corporation" means a corporation which has a class of equity securities registered pursuant to section 12 of the securities exchange act of 1934, as amended through December 31, 1984.

Sec. 2. Minnesota Statutes 1984, section 302A.461, subdivision 4, is amended to read:

Subd. 4. [RIGHT TO INSPECT.] (a) A shareholder, beneficial owner, or a holder of a voting trust certificate of a corporation which is not a publicly-held corporation has an absolute right, upon written demand, to examine and copy, in person or by a legal representative, at any reasonable time:

- (1) The share register; and*
- (2) All documents referred to in subdivision 2.*

(b) A shareholder, beneficial owner, or a holder of a voting trust certificate has a right, upon written demand, to examine and copy, in person or by a legal representative, other corporate records at any reasonable time only if the shareholder, beneficial owner, or holder of a voting trust certificate of a corporation which is not a publicly-held corporation demonstrates a proper purpose for the examination.

(c) A shareholder, beneficial owner, or a holder of a voting trust certificate of a publicly-held corporation has, upon written demand, stating the purpose thereof and acknowledged or verified in the manner provided in chapter 358, the right at any reasonable time to examine and copy, only upon demonstrating the stated purpose to be a proper purpose, the corporation's share register and other corporate records. The acknowledged or verified demand shall be directed to the corporation at its registered office in this state or at its principal place of business.

(d) *For purposes of section 302A.461, a "proper purpose" is one reasonably related to the person's interest as a shareholder, beneficial owner, or holder of a voting trust certificate of the corporation.*

Sec. 3. Minnesota Statutes 1984, section 302A.461, is amended by adding a subdivision to read:

Subd. 4b. [OTHER USE PROHIBITED.] A shareholder, beneficial owner, or holder of a voting trust certificate who has gained access under this section to any corporate record including the share register shall not use nor furnish to another for use any such corporate record or portion of the contents thereof for any purpose other than a proper purpose. Upon application of the corporation, a court in this state may use its equitable powers to issue a protective order or fashion such other relief as may be necessary to enforce the provisions of this subdivision.

Sec. 4. Minnesota Statutes 1984, section 302A.461, subdivision 5, is amended to read:

Subd. 5. [COST OF COPIES.] Copies of the share register and all documents referred to in subdivision 2, if required to be furnished under this section, shall be furnished at the expense of the corporation. (A COPY OF THE MOST RECENTLY GENERATED SHARE REGISTER SHALL BE FURNISHED AT THE EXPENSE OF THE CORPORATION IF THE REQUESTING PARTY SHOWS A PROPER PURPOSE.) In all other cases, the corporation may charge the requesting party a reasonable fee to cover the expenses of providing the copy."

Delete the title and insert:

"A bill for an act relating to corporations; providing for access by shareholders to certain corporate records; prohibiting disclosures of corporate records by persons who have gained access for any purpose other than a proper purpose; clarifying legislative intent; amending Minnesota Statutes 1984, sections 302A.011, by adding a subdivision; and 302A.461, subdivisions 4 and 5, and by adding a subdivision."

With the recommendation that when so amended the bill pass.

The report was adopted.

Knickerbocker from the Committee on Governmental Operations to which was referred:

H. F. No. 1165, A bill for an act relating to retirement; Minneapolis teachers maximum service credit accrual; amendment of articles.

Reported the same back with the following amendments:

Page 1, after line 12, insert:

"Sec. 2. Laws 1979, chapter 109, section 1, as amended by Laws 1981, chapter 157, section 1, is amended to read:

Sec. 1. Authorization is hereby granted in accordance with Minnesota Statutes, Section 354A.12, for the St. Paul teachers retirement fund association to amend its bylaws as follows:

(1) Paragraph 9 of Section 3 of Article IV of the bylaws may be amended to provide a lump sum payment to annuitants and survivor benefit recipients who have been receiving annuities or benefits for at least three years, payable (THREE) *six* months following the end of a fiscal year. The payments shall only be made if the investment income of the fund during the preceding fiscal year was in excess of 5-1/2 percent of the asset value of the fund at the end of that fiscal year. The amount that each eligible annuitant or benefit recipient shall be entitled to receive shall be determined as follows:

((A) THE YEARS OF SERVICE OF EACH ANNUITANT AS CREDITED BY THE FUND AND THE YEARS OF SERVICE OF EACH PERSON ON BEHALF OF WHOM A SURVIVOR BENEFIT IS PAID AS CREDITED BY THE FUND SHALL BE TOTALED;)

((B) THE DOLLAR AMOUNT EQUAL TO ONE-HALF OF ONE PERCENT OF THE ASSET VALUE OF THE FUND AT THE END OF THE PREVIOUS FISCAL YEAR SHALL BE DETERMINED;)

((C) THE DOLLAR AMOUNT DETERMINED PURSUANT TO CLAUSE (B) SHALL BE DIVIDED BY THE AGGREGATE YEARS OF CREDITED SERVICE TOTALED PURSUANT TO CLAUSE (A), THE RESULT TO BE CONSIDERED THE BONUS FIGURE PER YEAR OF SERVICE CREDIT;)

((D) FOR EACH ELIGIBLE ANNUITANT AND BENEFIT RECIPIENT, THE PAYMENT SHALL BE EQUAL TO THE BONUS FIGURE PER YEAR OF SERVICE CREDIT DETERMINED PURSUANT TO CLAUSE (C) MULTIPLIED BY EACH YEAR OF SERVICE CREDITED FOR THAT PERSON BY THE FUND.)

((2) A NEW PARAGRAPH MAY BE ADDED TO SECTION 2 OF ARTICLE IV OF THE BYLAWS TO PROVIDE THAT ANY ACTIVE MEMBER OF THE FUND WITH SERVICE CREDIT PRIOR TO JULY 1, 1978 WHO ELECTS IN THE SOCIAL SECURITY REFERENDUM TO BECOME A

COORDINATED MEMBER SHALL BE ENTITLED TO A RETIREMENT ANNUITY WHEN OTHERWISE QUALIFIED, THE CALCULATION OF WHICH SHALL UTILIZE THE FORMULA SPECIFIED IN LAWS 1977, CHAPTER 429, SECTION 61 FOR THAT PORTION OF CREDITED SERVICE WHICH WAS SERVED PRIOR TO JULY 1, 1978 AND THE NEW COORDINATED FORMULA SPECIFIED IN THE BYLAWS FOR THE REMAINDER OF CREDITED SERVICE, BOTH APPLIED TO THE AVERAGE SALARY AS SPECIFIED IN PARAGRAPH 2 OF SECTION 1 OF ARTICLE IX. THE FORMULA PERCENTAGES TO BE USED IN CALCULATING THE COORDINATED PORTION OF A RETIREMENT ANNUITY ON COORDINATED SERVICE SHALL RECOGNIZE THE COORDINATED SERVICE AS A CONTINUATION OF ANY SERVICE PRIOR TO JULY 1, 1978.)

((3) PARAGRAPH 5 OF SECTION 3 OF ARTICLE IV OF THE BYLAWS IN EFFECT ON JUNE 1, 1978 MAY BE AMENDED TO PROVIDE THAT THE RECOMPUTATION OF A DISABILITY BENEFIT IN AN AMOUNT EQUAL TO A SERVICE PENSION SHALL OCCUR WHEN THE MEMBER ATTAINS THE AGE OF 60 YEARS AND SHALL BE RECOMPUTED WITHOUT ANY REDUCTION FOR EARLY RETIREMENT, AND THAT IF THE DISABILITY TERMINATES PRIOR TO AGE 60 THE MEMBER SHALL BE ELIGIBLE FOR BENEFITS AS PROVIDED IN PARAGRAPH 1 OF SECTION 3 OF ARTICLE IV AND THE YEARS OF SERVICE AND FINAL AVERAGE SALARY ACCRUED TO DISABILITY TERMINATION DATE WOULD BE USED AS PROVIDED IN PARAGRAPH 5 OF SECTION 3 OF ARTICLE IV OF THE BYLAWS IN EFFECT JUNE 1, 1978 AND THAT PARAGRAPH 3 OF SECTION 4 OF ARTICLE IV BE AMENDED TO CONFORM TO THIS PROVISION.)

((4) ARTICLE VIII OF THE BYLAWS IN EFFECT JULY 1, 1978 MAY BE AMENDED BY ADDING A NEW SECTION 5 PROVIDING AUGMENTATION OF BENEFITS IN THE SAME MANNER AS MINNESOTA STATUTES 1978, SECTION 354.55, SUBDIVISION 11.)

(a) *the years of service of each annuitant as credited by the fund and the years of service of each person on behalf of whom a survivor benefit is paid as credited by the fund and the years receiving payments shall be totaled;*

(b) *the dollar amount equal to up to one percent of the asset value of the fund at the end of the previous fiscal year shall be determined by the board of trustees;*

(c) *the dollar amount determined pursuant to clause (b) shall be divided by the aggregate years of credited service and years receiving payments in a manner determined by the board*

of trustees pursuant to clause (a), the result is to be considered the bonus figure per unit;

(d) for each eligible annuitant and benefit recipient, the bonus payment shall be equal to the bonus figure per unit determined pursuant to clause (c) multiplied by the combination of years of service and years receiving payments as determined by the board of trustees based on the records of the fund.

Sec. 3. [EFFECTIVE DATE.]

Section 2 is effective the day following enactment."

Amend the title as follows :

Page 1, line 3, after "articles" insert "; St. Paul teachers retirement fund association lump sum payments to annuitants and disabilitants; amending Laws 1979, chapter 109, section 1, as amended"

With the recommendation that when so amended the bill pass.

The report was adopted.

Rose from the Committee on Environment and Natural Resources to which was referred :

H. F. No. 1183, A bill for an act relating to game and fish; prohibiting harassment of hunters and anglers; providing penalties: proposing coding for new law in Minnesota Statutes, chapter 97.

Reported the same back with the following amendments :

Page 2, line 8, delete "gross"

Page 2, delete lines 9 to 22 "

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1188, A bill for an act relating to Cass county; providing authority for tourism and agriculture promotion; permitting a property tax levy.

Reported the same back with the following amendments:

Page 1, after line 14, insert:

"Sec. 2. [REVERSE REFERENDUM.]

If the Cass county board intends to exercise the authority provided by section 1 in subsequent years, it shall pass a resolution stating the fact before January 1, 1986. Thereafter, the resolution shall be published for two successive weeks in the official newspaper of the county or, if there is no official newspaper, in a newspaper of general circulation in the county, together with a notice fixing a date for a public hearing on the matter. The hearing shall be held not less than two weeks nor more than four weeks after the first publication of the resolution. Following the public hearing, the county may determine to take no further action or, in the alternative, adopt a resolution confirming its intention to exercise the authority. That resolution shall also be published in the official newspaper of the county or, if there is no official newspaper, in a newspaper of general circulation in the county. If within 30 days thereafter a petition signed by voters equal in number to five percent of the votes cast in the county in the last general election requesting a vote on the proposed resolution is filed with the clerk, the resolution shall not be effective until it has been submitted to the voters at a general or special election and a majority of votes cast on the question of approving the resolution are in the affirmative. The commissioner of revenue shall prepare a suggested form of question to be presented at the election. The referendum must be held at a special or general election prior to December 1, 1986."

Renumber the remaining section

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

The report was adopted.

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

H. F. No. 1198, A bill for an act relating to local government; authorizing the creation of a youth coordinating board in the city of Minneapolis.

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

The report was adopted.

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

H. F. No. 1199, A bill for an act relating to the city of New Brighton; providing an exception from the New Brighton police civil service system for the chief and deputy chief of police.

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

The report was adopted.

Halberg from the Committee on Judiciary to which was referred:

H. F. No. 1214, A bill for an act relating to courts; providing for the recovery of costs, disbursements, and attorney fees from the state when a statute is declared unconstitutional; proposing coding for new law in Minnesota Statutes, chapter 549.

Reported the same back with the following amendments:

Page 1, line 10, delete "*the*" and insert "*a*" and after "*finds*" insert "*or affirms that*"

Page 1, line 11, after "*statute*" insert "*is*"

Page 1, line 13, delete "*a private individual who is a*" and insert "*the*"

Page 1, line 14, delete "*and*"

Page 1, line 15, delete "*The state is not liable under*"

Page 1, delete lines 16 to 18

Page 1, line 19, delete "*or other entity.*"

Page 1, line 23, delete "*join the state as a party to the action*" and insert "*, when the state or an officer, agency, or employee of the state is not a party to the action, notify the attorney general of the constitutional challenge within sufficient time to allow the state to intervene*"

Page 2, after line 1, insert:

"Any award ordered by a court pursuant to this section is effective the day after time for appeal of a final decision has

run, except an award ordered by the Minnesota or United States supreme court is effective on the date of decision. An appellate court may modify the amount ordered by a lower court."

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

The report was adopted.

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

H. F. No. 1226, A bill for an act relating to local government; permitting land transfers between Ramsey county and the town of White Bear.

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

The report was adopted.

Rose from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 1235, A bill for an act relating to state lands; authorizing conveyance of certain state trail lands no longer needed for trails; amending Laws 1981, chapter 190, section 3.

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

The report was adopted.

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

H. F. No. 1236, A bill for an act relating to licensed occupations; requiring a certified signature on final documents prepared by certain licensed professionals; amending Minnesota Statutes 1984, section 326.12, subdivision 3.

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

The report was adopted.

Rose from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 1248, A bill for an act relating to state parks; concession fees at Fort Snelling State Park.

Reported the same back with the following amendments:

Page 1, line 10, delete "*with no increase in fee*" and insert "*; provided that, the compensation for the first year of the renewal shall be \$3,500 and the maximum cap for each year thereafter shall be increased five percent above the preceding year*"

Page 1, line 11, delete "*July*" and insert "*December*"

With the recommendation that when so amended the bill pass.

The report was adopted.

Rose from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 1256, A bill for an act relating to natural resources; altering certain provisions regarding water permit fees; amending Minnesota Statutes 1984, section 105.44, subdivision 10.

Reported the same back with the following amendments:

Page 1, line 12, after "*amend*" delete the comma and insert "*or*" and delete "*, or extend the duration of*"

Page 1, line 15, after "*amend*" delete the comma and insert "*or*" and delete "*, or*"

Page 1, line 16, delete "*extend*"

Page 2, line 1, reinstate the stricken "*may*" and delete "*shall*"

Page 2, line 2, after "\$25" insert "*nor more than \$750*"

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

The report was adopted.

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

H. F. No. 1262, A bill for an act relating to occupational safety and health; prescribing duties of employers and of employees;

providing for standards; providing for the use of investigative information; providing for enforcement mechanisms; amending Minnesota Statutes 1984, sections 182.651, subdivision 14; 182.653, subdivisions 4a, 4b, 4c, 4e, and 4f; 182.654, subdivision 11; 182.655, subdivisions 10 and 10a; 182.659, by adding a subdivision; 182.661, subdivision 1, and by adding a subdivision; 182.668, subdivision 1; and 182.669, subdivision 1.

Reported the same back with the following amendments:

Page 1, line 25, after the stricken "or" insert a semicolon

Page 2, line 33, strike "or agents"

Page 12, delete lines 6 to 11 and insert:

"Subd. 8. Neither the commissioner nor any employee of the department is subject to subpoena for purposes of inquiry into any occupational safety and health inspection except in enforcement proceedings brought under this chapter. All written information, documentation and reports gathered or prepared by the department pursuant to an occupational safety and health inspection are public information once the departmental inspection file is closed."

Page 14, after line 4, insert:

"Sec. 15. [EFFECTIVE DATE.]

The repeal of the small business exemption in section 3 is effective November 26, 1985."

With the recommendation that when so amended the bill pass.

The report was adopted.

Rose from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 1263, A resolution memorializing the President and Congress of the United States to take immediate steps to reduce acid deposition.

Reported the same back with the following amendments:

Page 1, line 23, after "Forest," insert "Chippewa National Forest,"

With the recommendation that when so amended the bill pass.

The report was adopted.

Knickerbocker from the Committee on Governmental Operations to which was referred:

H. F. No. 1273, A bill for an act relating to the city of Edina; providing that survivors' benefits of firemen's service association be paid as provided by general law; repealing Laws 1965, chapter 592, section 4, as amended.

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

The report was adopted.

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

H. F. No. 1280, A bill for an act relating to labor; providing for fair labor standard practice; providing penalties; amending Minnesota Statutes 1984, sections 177.23, subdivisions 4 and 7; 177.24, subdivisions 3, 4, and 5; 177.27; 177.28, subdivision 4; 177.32, subdivision 1; 181.79, subdivision 1; 181A.04, subdivision 3; and 181A.12, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 181.

Reported the same back with the following amendments:

Page 12, after line 14, insert:

"Sec. 14. [REPEALER.]

Minnesota Statutes 1984, sections 184A.01, 184A.02, 184A.03, 184A.04, 184A.05, 184A.06, 184A.07, 184A.08, 184A.09, 184A.10, 184A.11, 184A.12, 184A.13, 184A.14, 184A.15, 184A.16, 184A.17, 184A.18, 184A.19, and 184A.20 are repealed.

Sec. 15. [EFFECTIVE DATE.]

Section 9 is effective January 1, 1986. Sections 1 to 8 and 10 to 14 are effective the day following final enactment."

Amend the title as follows:

Page 1, line 9, after "181" insert "; repealing Minnesota Statutes 1984, chapter 184A"

With the recommendation that when so amended the bill pass.

The report was adopted.

Rose from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 1287, A bill for an act relating to the environment; providing a PCB amnesty program; prohibiting installation of PCB products in public buildings; requiring PCB products to be removed from public buildings according to a schedule; providing for notification of fire departments of PCB products; providing for burning of PCB oil; appropriating money; amending Minnesota Statutes 1984, sections 116.36, subdivision 1, and by adding subdivisions; and 116.37, subdivisions 1, 2, 3, 4, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 116.

Reported the same back with the following amendments:

Page 4, line 16, after "from" insert "within"

Page 4, delete lines 26 to 29

Page 4, line 30, delete "4" and insert "3"

Page 4, line 31, after "PCB" insert "*which can be repaired to contain less than one kilogram of PCB,*"

Page 4, line 32, after the period delete "The" and insert "*PCB products that are removed and cannot be repaired to contain less than one kilogram of PCB shall not be reinstalled.*"

Page 4, delete line 33

Page 5, line 10, before the period insert "*and may prohibit the burning of PCB oil if the director determines that the person that has the permit to operate the facility cannot ensure that the facility can maintain United States Environmental Protection Agency specifications*"

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

The report was adopted.

Rose from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 1321, A bill for an act relating to natural resources; altering certain revenue and fee provisions for state parks, recreation areas, and waysides; amending Minnesota Statutes 1984, sections 85.05, subdivisions 1 and 2; and 85.22, subdivision 2a.

Reported the same back with the following amendments:

Page 3, line 25, delete "*officer*,"

Page 3, line 26, before "*or*" insert "*peace officer*,"

Page 3, line 28, after "*The*" insert "*peace*"

Page 4, line 33, delete "*November*" and insert "*July*"

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

The report was adopted.

Knickerbocker from the Committee on Governmental Operations to which was referred:

H. F. No. 1336, A bill for an act relating to retirement; granting the authority to firefighter relief associations in cities of the first class to elect retired members to the associations' board of directors; amending Minnesota Statutes 1984, section 69.26.

Reported the same back with the following amendments:

Page 1, line 26, delete the comma and insert "*and*"

Page 1, line 26, delete everything after the period

Page 2, delete lines 1 through 3

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

The report was adopted.

Knickerbocker from the Committee on Governmental Operations to which was referred:

H. F. No. 1337, A bill for an act relating to retirement; providing for the return to work of a police officer, firefighter and the provision of service credit for certain periods of disability; amending Minnesota Statutes 1984, section 423A.15.

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

The report was adopted.

Rose from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 1340, A bill for an act relating to wild animals; increasing certain game, fish, and related license and other fees; amending Minnesota Statutes 1984, sections 97.4841, subdivision 3; 97.4842, subdivision 2; 98.46, subdivisions 2 and 14; 98.47, subdivision 1; and 100.271, subdivision 2.

Reported the same back with the following amendments:

Page 2, lines 4 to 8, delete the new language

Page 2, lines 10 to 13, delete the new language

Page 2, line 18, before the period insert "*The surcharge imposed by section 97.86 does not apply to residents who have attained the age of 65 years;*

(9) to take fish by angling or spearing, if 65 years of age or older, \$3"

Page 2, line 29, reinstate the stricken language and delete the new language

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

The report was adopted.

Knickerbocker from the Committee on Governmental Operations to which was referred:

H. F. No. 1367, A bill for an act relating to historical interpretive centers; conforming certain laws to a name change; amending Minnesota Statutes 1984, section 138.93, subdivision 3.

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

The report was adopted.

Knickerbocker from the Committee on Governmental Operations to which was referred:

H. F. No. 1368, A bill for an act relating to public safety; education; appropriating money to design a rural emergency response training facility.

Reported the same back with the following amendments:

Page 1, line 9, after "*design*" insert "*and construct*"

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

The report was adopted.

Knickerbocker from the Committee on Governmental Operations to which was referred:

H. F. No. 1369, A bill for an act relating to retirement; Moorhead police and firefighters relief associations; consolidation into the public employees police and fire fund; terminating the special fund of the Moorhead firefighters relief association; transferring of assets and records; repealing Laws 1945, chapter 277; Laws 1951, chapter 499; Laws 1955, chapter 75; Laws 1965, chapter 190; Laws 1967, chapter 775; Laws 1969, chapter 138; Laws 1975, chapter 120; Laws 1978, chapter 563, section 8; Laws 1979, chapter 216, sections 27 to 43; Laws 1980, chapter 600, section 16; Laws 1981, chapter 224, section 236; and Laws 1982, chapter 578, article 3, section 18.

Reported the same back with the following amendments:

Page 1, line 20, after "*firefighters*" insert "*or deferred recipients*"

Page 2, line 2, delete "*July*" and insert "*August*"

Page 2, line 33, delete "*, and deferred recipients,*"

Page 3, line 27, delete everything after "*fund*" and insert "*by July 31, 1985.*"

Page 3, delete lines 28 and 29, and insert:

"Future adjustments, pursuant to section 11A.18, must be calculated on the annuity or benefit amount payable by either relief association in July 1985. For the purposes of determining and paying the January 1, 1986, adjustment from the postretirement fund, the adjustment must be calculated as though June 30, 1984, were the effective date of retirement for each postfund recipient.

The required reserves for the January 1, 1986, increase determined using a five percent interest assumption and the applicable police and fire fund mortality table shall be transferred by the police and fire fund to the postretirement fund on January 1, 1986. If any assets remain"

Page 7, line 4, after "Moorhead" insert "police officer or"

Page 7, after line 13, insert:

"Sec. 8. Minnesota Statutes 1984, section 423A.02, is amended to read:

423A.02 [LOCAL POLICE AND FIREFIGHTERS' RELIEF ASSOCIATION AMORTIZATION STATE AID.]

Subdivision 1. Any municipality in which is located a local police or salaried firefighters' relief association to which the provisions of section 69.77, apply, unless the municipality has adopted a municipal resolution retaining the local relief association pursuant to section 423A.01, subdivision 1, shall be entitled upon (ANNUAL) application (ON OR BEFORE THE DATE SPECIFIED) as required by the commissioner of finance to receive local police and salaried firefighters' relief association amortization state aid if the municipality and the appropriate relief association both comply with the applicable provisions of sections 69.031, subdivision 5, 69.051, subdivisions 1 and 3, and 69.77. The amount of (LOCAL POLICE AND SALARIED FIREFIGHTERS' RELIEF ASSOCIATION) amortization state aid to which a municipality is entitled annually shall be an amount equal to the level annual dollar amount required to amortize, by December 31, 2010, the unfunded accrued liability of the special fund of the appropriate relief association as reported in the (MOST RECENT) *December 31, 1978*, actuarial valuation of the relief association prepared pursuant to Minnesota Statutes (1978), sections 356.215 and 356.216, (AND FILED WITH THE COMMISSIONER OF COMMERCE ON THE DATE OF FINAL ENACTMENT OF LAWS 1980, CHAPTER 607,) reduced by the dollar amount required to pay the interest on the unfunded accrued liability of the special fund of the relief association for (THE) calendar year (NEXT FOLLOWING THE DATE OF FINAL ENACTMENT OF LAWS 1980, CHAPTER 607,) 1981 set at the rate specified in Minnesota Statutes 1978, section 356.215, subdivision 4, clause (4). Payment of (LOCAL POLICE AND SALARIED FIREFIGHTERS' RELIEF ASSOCIATION) amortization state aid to municipalities shall be made directly to the municipalities involved in four equal installments on March 15, July 15, September 15 and November 15 annually. Upon receipt of (THE LOCAL POLICE AND SALARIED FIREFIGHTERS' RELIEF ASSOCIATION) amortization state aid, the municipal treasurer shall transmit the aid amount to the treasurer of the local relief association for immediate deposit in the special fund of the relief association. The commissioner of finance shall prescribe and periodically revise the form for and content of the (ANNUAL) application for the (LOCAL POLICE AND SALARIED FIREFIGHTERS' RELIEF ASSOCIATION) amortization state aid. The amounts required to pay the (LOCAL POLICE AND SALARIED FIREFIGHTERS' RELIEF ASSO-

CIATION) amortization state aid are hereby annually appropriated from the general fund to the commissioner of finance.

Subd. 2. Any municipality which has qualified for amortization state aid under subdivision 1 shall continue upon application to be entitled to receive the aid after the local police or salaried firefighters' relief association has been consolidated into the public employees police and fire fund."

Renumber the remaining section

Amend the title as follows:

Page 1, line 3, after the semicolon insert "clarifying receipt of amortization state aid;"

Page 1, after line 6, insert "amending Minnesota Statutes 1984, section 423A.02;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Halberg from the Committee on Judiciary to which was referred:

H. F. No. 1382, A bill for an act relating to courts; providing for transcript fees in the second judicial district; amending Minnesota Statutes 1984, section 486.06; proposing coding for new law in Minnesota Statutes, chapter 486.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1984, section 486.06, is amended to read:

486.06 [CHARGE FOR TRANSCRIPT.]

In addition to the salary specified in section 486.05, the court reporter may charge for a transcript of his or her record ordered by any person other than the judge 50 cents per original folio thereof and ten cents per folio for each manifold or other copy thereof when so ordered that it can be made with the original transcript. *The chief judge of the judicial district may by order establish new transcript fee ceilings annually."*

Amend the title as follows:

Page 1, line 4, delete everything after "486.06"

Page 1, line 5, delete everything before the period

With the recommendation that when so amended the bill pass.

The report was adopted.

Knickerbocker from the Committee on Governmental Operations to which was referred:

H. F. No. 1404, A bill for an act relating to retirement; teachers; participation in variable annuity division; amending Minnesota Statutes 1984, section 354.62, subdivision 2; repealing Minnesota Statutes 1984, section 354.621.

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

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 56, 229, 237, 325, 330, 380, 543, 606, 607, 649, 760, 773, 784, 907, 970, 1009, 1033, 1040, 1080, 1146, 1161, 1165, 1183, 1198, 1199, 1226, 1235, 1236, 1248, 1262, 1263, 1273, 1280, 1336, 1337, 1367, 1369, 1382 and 1404 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 625, 679 and 635 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Dimler, Quinn, Fjoslien, Uphus and Beard introduced:

H. F. No. 1516, A bill for an act relating to veterans; clarifying certain veteran benefit definitions to include veterans who have served in the Grenada campaign or with the peacekeeping forces in the Lebanon campaign; amending Minnesota Statutes 1984, sections 136C.13, subdivision 3; 198.01; and 462A.05, subdivision 19.

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

Brandl introduced:

H. F. No. 1517, A bill for an act relating to health; requiring licensure of home care agencies; providing a home care bill of rights; providing a complaint procedure for home care clients; appropriating money; amending Minnesota Statutes 1984, sections 144A.51, by adding a subdivision; 144A.52, subdivision 3; 144A.53, subdivisions 1, 2, 3, and 4; 144A.54, subdivision 1; 626.557, subdivision 2; and proposing coding for new law in Minnesota Statutes, chapter 144A.

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

Knickerbocker, Sviggum, Simoneau and Gutknecht introduced:

H. F. No. 1518, A bill for an act relating to retirement; defining and providing for the payment of disability benefits to members of the teachers retirement association for occupational disability; amending Minnesota Statutes 1984, sections 354.05, by adding a subdivision; and 354.48, subdivisions 1, 2, 3, 4, 6, 7, and 10.

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

Munger, Boo, Jaros, Battaglia and Carlson, D., introduced:

H. F. No. 1519, A bill for an act relating to transportation; appropriating money for support of AMTRAK.

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

Knickerbocker, Sviggum, Simoneau and Gutknecht introduced:

H. F. No. 1520, A bill for an act relating to retirement; teachers variable annuity fund transfers and repayments; amending Minnesota Statutes 1984, section 354.146, subdivision 1, and by adding subdivisions.

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

Knickerbocker, Sviggum, Simoneau and Gutknecht introduced:

H. F. No. 1521, A bill for an act relating to retirement; making various administrative changes in the law governing the teachers retirement association; amending Minnesota Statutes 1984, sections 354.44, subdivision 5; 354.48, subdivisions 3, 6, and 7; 354.49, subdivision 2; and 354.55, subdivision 11.

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

Wenzel introduced:

H. F. No. 1522, A bill for an act relating to taxation; property; extending the exemption for certain property held by a municipality.

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

Bishop introduced:

H. F. No. 1523, A bill for an act relating to state government; shifting the department of administration's plant management operations from the general fund to the general services revolving fund; amending Minnesota Statutes 1984, sections 16B.24, subdivision 5, and 16B.48, subdivision 2.

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

Wenzel introduced:

H. F. No. 1524, A bill for an act relating to retirement; public employees police and fire fund; rule of 75; amending Minnesota Statutes 1984, section 353.651, by adding a subdivision.

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

Jacobs introduced:

H. F. No. 1525, A bill for an act relating to crimes; prohibiting sale, possession or use of electric weapons; exempting law enforcement agencies and peace officers from the possession and use prohibition; prescribing penalties; proposing coding for new law in Minnesota Statutes, chapter 624.

The bill was read for the first time and referred to the Committee on Crime and Family Law.

Halberg, Knickerbocker, Jacobs, Valento and Blatz introduced:

H. F. No. 1526, A bill for an act relating to taxation; income; changing the pension exclusion; amending Minnesota Statutes 1984, sections 290.01, subdivision 20b; and 290.08, subdivision 26.

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

Neuenschwander; Carlson, D.; Battaglia; Schoenfeld and Begich introduced:

H. F. No. 1527, A bill for an act relating to game and fish; priority of senior citizens for certain percentage of doe permits; amending Minnesota Statutes 1984, section 97.48, subdivision 24.

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

Neuenschwander; Rose; Carlson, D.; Battaglia and Schoenfeld introduced:

H. F. No. 1528, A bill for an act relating to natural resources; designating the white-tailed deer as the official state mammal; proposing coding for new law in Minnesota Statutes, chapter 1.

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

Minne, Begich and Marsh introduced:

H. F. No. 1529, A bill for an act relating to taxation; providing for state reimbursement of local taxing districts for property tax refunds paid to railroads; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 278.

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

Neuenschwander; Carlson, D.; Battaglia; Zaffke and Begich introduced:

H. F. No. 1530, A bill for an act relating to natural resources; providing emergency assistance for loggers of state timber who are in serious distress due to abrupt closure of certain timber processing plants; specifying powers and duties of the commissioner of natural resources; appropriating money.

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

Redalen, McDonald, Dyke, Quist and Valan introduced:

H. F. No. 1531, A bill for an act relating to taxation; income; exempting capital gains from certain forced sales of farms; amending Minnesota Statutes 1984, section 290.01, subdivision 20b.

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

Neuenschwander, Zaffke, Munger, Schoenfeld and Ogren introduced:

H. F. No. 1532, A bill for an act relating to game and fish; imposing a natural resources surcharge upon fines for game and fish violations; allocating the proceeds; amending Minnesota Statutes 1984, sections 97.49, by adding subdivisions; and 97.81, subdivision 1.

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

Halberg, Boo, Beard and Solberg introduced:

H. F. No. 1533, A bill for an act relating to taxes; exempting sales of electricity used to make ski snow from the sales tax; amending Minnesota Statutes 1984, section 297A.25, subdivision 1.

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

Rest, Cohen, Backlund, Shaver and Riveness introduced:

H. F. No. 1534, A bill for an act relating to cable communications; facilitating the activation of the metropolitan area interconnected regional cable channel; appropriating money; amending Minnesota Statutes 1984, sections 238.05, subdivision 2; 473.129, subdivision 6; proposing coding for new law as Minnesota Statutes, chapter 238A.

The bill was read for the first time and referred to the Committee on Regulated Industries and Energy.

McKasy, Metzen and Valento introduced:

H. F. No. 1535, A bill for an act relating to the environment; decreasing local government charges for infiltrated water in a combined metropolitan storm and sewage disposal system; amending Minnesota Statutes 1984, section 473.517, subdivision 2.

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

Welle introduced:

H. F. No. 1536, A bill for an act relating to retirement; membership of county historical society employees in the public employees retirement association; amending Minnesota Statutes 1984, section 353.01, subdivision 2a.

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

Marsh introduced:

H. F. No. 1537, A bill for an act relating to economic development; authorizing the energy and economic development authority to make loans for health care equipment; amending Minnesota Statutes 1984, sections 116M.02; 116M.03, by adding subdivisions; and 116M.07, subdivision 1, and by adding subdivisions.

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

Uphus, by request, introduced:

H. F. No. 1538, A bill for an act relating to agriculture; providing for minimum prices for agricultural commodities under certain conditions; establishing a legislative task force on farm commodity pricing; imposing penalties; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 17.

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

Sarna introduced:

H. F. No. 1539, A bill for an act relating to veterans; providing a bonus for veterans of World War I; appropriating money; providing for the issuance of bonds; amending Minnesota Statutes 1984, sections 197.972; 197.973, subdivision 2; 197.975, subdivision 3; 197.978, subdivision 4; and 197.985.

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

Nelson, K., introduced:

H. F. No. 1540, A bill for an act relating to children; requiring an interagency program to deal with the multifaceted problems of children in need; authorizing pilot programs in ten communities; appropriating money.

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

Riveness introduced:

H. F. No. 1541, A bill for an act relating to human services; requiring the commissioner of human services to establish services for the care of brain damaged adults; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 252B.

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

Hartinger introduced:

H. F. No. 1542, A bill for an act relating to solid waste; prohibiting the operation, construction, and expansion of a waste facility in the town of Oak Grove; providing for local approval.

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

Boo; Munger; Jennings, D.; Battaglia and Carlson, D., introduced:

H. F. No. 1543, A bill for an act relating to the establishment of a convention center in the city of Duluth; appropriating money.

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

Hartinger introduced:

H. F. No. 1544, A bill for an act relating to solid waste; prohibiting the operation, construction, and expansion of a waste facility in the city of Andover; providing for local approval.

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

Piper and Anderson, R., introduced:

H. F. No. 1545, A bill for an act relating to health; providing a statewide emergency medical services fund; requiring certain distribution of the fund; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 144.

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

CONSENT CALENDAR

H. F. No. 18, A bill for an act relating to game and fish; authorizing resident licenses for trainees at Camp Ripley during open seasons; amending Minnesota Statutes 1984, section 98.47, subdivision 3.

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:

Backlund	Forsythe	Levi	Pappas	Skoglund
Battaglia	Frederick	Lieder	Pauly	Solberg
Beard	Frederickson	Long	Peterson	Sparby
Becklin	Frerichs	Marsh	Piepho	Sviggun
Begich	Greenfield	McDonald	Piper	Thiede
Bennett	Gruenes	McEachern	Poppenhagen	Thorson
Blatz	Gutknecht	McKasy	Price	Tjornhom
Boerboom	Hartinger	McPherson	Quinn	Tomlinson
Boo	Hartle	Metzen	Quist	Tompkins
Brandl	Haukoos	Miller	Redalen	Tunheim
Brinkman	Heap	Minne	Rees	Uphus
Brown	Himle	Munger	Rest	Valan
Burger	Jacobs	Murphy	Rice	Valento
Carlson, J.	Jaros	Nelson, D.	Richter	Vanasek
Carlson, L.	Jennings, L.	Nelson, K.	Riveness	Vellenga
Clark	Johnson	Neuenschwander	Rodosovich	Voss
Clausnitzer	Kahn	Norton	Rose	Waltman
Cohen	Kalis	Ogren	Sarna	Welle
Dempsey	Kelly	Olson, S.	Schafer	Wenzel
DenOuden	Kiffmeyer	Olson, E.	Scheid	Wynia
Dimler	Knickerbocker	Omann	Schoenfeld	Zafke
Dyke	Knuth	Onnen	Seaberg	Spk. Jennings, D.
Elioff	Kostohryz	Osthoff	Shaver	
Erickson	Krueger	Otis	Sherman	
Fjoslien	Kvam	Ozment	Simoneau	

The bill was passed and its title agreed to.

H. F. No. 645 was reported to the House.

There being no objection H. F. No. 645 was temporarily laid over on the Consent Calendar.

H. F. No. 852, A bill for an act relating to state lands; directing conveyance of an easement over certain state lands to the city of Duluth.

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:

Backlund	Fjoslien	Kvam	Pappas	Skoglund
Battaglia	Forsythe	Levi	Pauly	Solberg
Beard	Frederick	Lieder	Peterson	Sparby
Becklin	Frederickson	Long	Piepho	Sviggum
Begich	Frerichs	Marsh	Piper	Thiede
Bennett	Greenfield	McDonald	Poppenhagen	Thorson
Blatz	Gruenes	McEachern	Price	Tjornhom
Boerboom	Gutknecht	McPherson	Quinn	Tomlinson
Boo	Hartinger	Metzen	Quist	Tompkins
Brandl	Hartle	Miller	Redalen	Tunheim
Brinkman	Haukoos	Minne	Rees	Uphus
Brown	Heap	Munger	Rest	Valan
Burger	Himle	Murphy	Rice	Valento
Carlson, D.	Jacobs	Nelson, D.	Richter	Vanasek
Carlson, J.	Jaros	Nelson, K.	Riveness	Vellenga
Carlson, L.	Jennings, L.	Neuenschwander	Rodosovich	Voss
Clark	Johnson	Norton	Rose	Waltman
Clausnitzer	Kahn	Ogren	Sarna	Welle
Cohen	Kalis	Olsen, S.	Schafer	Wenzel
Dempsey	Kelly	Olson, E.	Scheid	Wynia
DenOuden	Kiffmeyer	Omann	Seaberg	Zaffke
Dimler	Knickerbocker	Onnen	Segal	Spk. Jennings, D.
Dyke	Knuth	Osthoff	Shaver	
Elioff	Kostohryz	Otis	Sherman	
Erickson	Krueger	Ozment	Simoneau	

The bill was passed and its title agreed to.

H. F. No. 968, A bill for an act relating to education; permitting payroll deductions in the state university system for a certain nonprofit university foundation; proposing coding for new law in Minnesota Statutes, chapter 136.

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 120 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Backlund	Cohen	Heap	McDonald	Otis
Battaglia	Dempsey	Himle	McEachern	Ozment
Beard	DenOuden	Jacobs	McPherson	Pappas
Becklin	Dimler	Jaros	Metzen	Pauly
Begich	Dyke	Jennings, L.	Miller	Peterson
Bennett	Elioff	Johnson	Minne	Piepho
Blatz	Erickson	Kahn	Munger	Piper
Boerboom	Fjoslien	Kalis	Murphy	Poppenhagen
Boo	Forsythe	Kiffmeyer	Nelson, D.	Price
Brandl	Frederick	Knickerbocker	Nelson, K.	Quinn
Brinkman	Frederickson	Knuth	Neuenschwander	Quist
Brown	Frerichs	Kostohryz	Norton	Redalen
Burger	Greenfield	Krueger	Ogren	Rees
Carlson, D.	Gruenes	Kvam	Olsen, S.	Rest
Carlson, J.	Gutknecht	Levi	Olson, E.	Rice
Carlson, L.	Hartinger	Lieder	Omann	Richter
Clark	Hartle	Long	Onnen	Riveness
Clausnitzer	Haukoos	Marsh	Osthoff	Rodosovich

Rose	Shaver	Sviggum	Tunheim	Voss
Schafer	Sherman	Thiede	Uphus	Waltman
Scheid	Simoneau	Thorson	Valan	Welle
Schoenfeld	Skoglund	Tjornhom	Valento	Wenzel
Seaberg	Solberg	Tomlinson	Vanasek	Zaffke
Segal	Sparby	Tompkins	Vellenga	Spk. Jennings, D.

The bill was passed and its title agreed to.

H. F. No. 985, A bill for an act relating to human services; expanding time of eligibility for aid for unborn children; authorizing prenatal care payments; amending Minnesota Statutes 1984, section 256.73, subdivision 5.

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 125 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Erickson	Krueger	Otis	Shaver
Backlund	Fjoslien	Kvam	Ozment	Sherman
Battaglia	Forsythe	Levi	Pappas	Simoneau
Beard	Frederick	Lieder	Pauly	Skoglund
Becklin	Frederickson	Long	Peterson	Solberg
Begich	Frerichs	Marsh	Piepho	Sparby
Bennett	Greenfield	McDonald	Piper	Sviggum
Bishop	Gruenes	McEachern	Poppenhagen	Thiede
Blatz	Gutknecht	McLaughlin	Price	Thorson
Boerboom	Hartinger	McPherson	Quinn	Tjornhom
Brandl	Hartle	Metzen	Quist	Tomlinson
Brinkman	Haukoos	Miller	Redalen	Tompkins
Brown	Heap	Minne	Rees	Tunheim
Burger	Himle	Munger	Rest	Uphus
Carlson, D.	Jacobs	Murphy	Rice	Valan
Carlson, J.	Jaros	Nelson, D.	Richter	Valento
Carlson, L.	Jennings, L.	Nelson, K.	Riveness	Vanasek
Clark	Johnson	Neuenschwander	Rodosovich	Vellenga
Clausnitzer	Kahn	Norton	Rose	Voss
Cohen	Kalis	Ogren	Sarna	Waltman
Dempsey	Kelly	Olsen, S.	Schafer	Welle
DenOuden	Kiffmeyer	Olson, E.	Scheid	Wenzel
Dimler	Knickerbocker	Omann	Schoenfeld	Wynia
Dyke	Knuth	Onnen	Seaberg	Zaffke
Elioff	Kostohryz	Osthoft	Segal	Spk. Jennings, D.

The bill was passed and its title agreed to.

H. F. No. 645 which was temporarily laid over earlier today on the Consent Calendar was again reported to the House.

H. F. No. 645, A bill for an act relating to crimes; specifying the effect of and the procedure for issuing an order of restitution; amending Minnesota Statutes 1984, section 611A.04, subdivision 3; proposing coding for new law in chapter 611A.

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 127 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Fjoslien	Kvam	Ozment	Simoneau
Backlund	Forsythe	Levi	Pappas	Skoglund
Battaglia	Frederick	Lieder	Pauly	Solberg
Beard	Frederickson	Long	Peterson	Sparby
Becklin	Frerichs	Marsh	Piepho	Swiggum
Begich	Greenfield	McDonald	Piper	Thiede
Bennett	Gruenes	McEachern	Poppenhagen	Thorson
Bishop	Gutknecht	McKasy	Price	Tjornhom
Blatz	Halberg	McLaughlin	Quinn	Tomlinson
Boerboom	Hartinger	McPherson	Quist	Tompkins
Brandl	Hartle	Metzen	Redalen	Tunheim
Brinkman	Haukoos	Miller	Rees	Uphus
Brown	Heap	Minne	Rest	Valan
Burger	Himle	Munger	Rice	Valento
Carlson, D.	Jacobs	Murphy	Richter	Vanasek
Carlson, J.	Jaros	Nelson, D.	Riveness	Vellenga
Carlson, L.	Jennings, L.	Nelson, K.	Rodosovich	Voss
Clark	Johnson	Ncuenschwander	Rose	Waltman
Clausnitzer	Kahn	Norton	Sarna	Welle
Cohen	Kalis	Ogren	Schafer	Wenzel
Dempsey	Kelly	Olsen, S.	Scheid	Wynia
DenOuden	Kiffmeyer	Olson, E.	Schoenfeld	Zaffke
Dimler	Knickerbocker	Omann	Seaberg	Spk. Jennings, D.
Dyke	Knuth	Onnen	Segal	
Elioff	Kostohryz	Osthoff	Shaver	
Erickson	Krueger	Otis	Sherman	

The bill was passed and its title agreed to.

H. F. No. 1025, A bill for an act relating to public utilities; de-regulating providers of coin telephone service; imposing a penalty; amending Minnesota Statutes 1984, section 237.01, subdivision 2, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 237.

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 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Blatz	Carlson, J.	Dyke	Greenfield
Backlund	Boerboom	Carlson, L.	Elioff	Gutknecht
Battaglia	Boo	Clark	Erickson	Halberg
Beard	Brandl	Clausnitzer	Fjoslien	Hartinger
Becklin	Brinkman	Cohen	Forsythe	Hartle
Begich	Brown	Dempsey	Frederick	Haukoos
Bennett	Burger	DenOuden	Frederickson	Heap
Bishop	Carlson, D.	Dimler	Frerichs	Himle

Jacobs	McEachern	Osthoff	Rodosovich	Tompkins
Jaros	McKasy	Otis	Rose	Tunheim
Jennings, L.	McLaughlin	Ozment	Sarna	Uphus
Johnson	McPherson	Pappas	Schafer	Valan
Kahn	Metzen	Pauly	Scheid	Valento
Kalis	Miller	Peterson	Schoenfeld	Vanasek
Kelly	Minne	Piepho	Scaberg	Vellenga
Kiffmeyer	Munger	Piper	Shaver	Voss
Knickerbocker	Murphy	Poppenhagen	Sherman	Waltman
Knuth	Nelson, D.	Price	Simoneau	Welle
Kostohryz	Nelson, K.	Quinn	Skoglund	Wenzel
Krueger	Neuenschwander	Quist	Solberg	Wynia
Kvam	Norton	Redalen	Sparby	Zaffke
Levi	Ogren	Rees	Sviggum	Spk. Jennings, D.
Lieder	Olsen, S.	Rest	Thiede	
Long	Olson, E.	Rice	Thorson	
Marsh	Omann	Richter	Tjornhom	
McDonald	Onnen	Riveness	Tomlinson	

The bill was passed and its title agreed to.

H. F. No. 1093 was reported to the House.

POINT OF ORDER

Vanasek raised a point of order pursuant to section 121, paragraph 5, of "Mason's Manual of Legislative Procedure" relating to breaches of the order of the house. The Speaker ruled the point of order not well taken.

H. F. No. 1093, A resolution memorializing the President and Secretary of Agriculture of the United States to insist to the government of Canada on fair trade regulations on hogs, or impose quotas and strict tariffs on Canadian hog imports.

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 2 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Clark	Halberg	Levi	Norton
Backlund	Clausnitzer	Hartle	Lieder	Ogren
Battaglia	Cohen	Haukoos	Long	Olsen, S.
Beard	Dempsey	Heap	Marsh	Olson, E.
Becklin	DenOuden	Himle	McDonald	Omann
Begich	Dimler	Jacobs	McEachern	Onnen
Bennett	Dyke	Jaros	McKasy	Osthoff
Bishop	Elioff	Jennings, L.	McLaughlin	Otis
Blatz	Erickson	Johnson	McPherson	Ozment
Boerboom	Fjoslien	Kalis	Metzen	Pappas
Boo	Forsythe	Kelly	Miller	Pauly
Brandl	Frederick	Kiffmeyer	Minne	Peterson
Brinkman	Frederickson	Knickerbocker	Munger	Piepho
Brown	Frerichs	Knuth	Murphy	Piper
Burger	Greenfield	Kostohryz	Nelson, D.	Poppenhagen
Carlson, D.	Gruenes	Krueger	Nelson, K.	Price
Carlson, L.	Gutknecht	Kvam	Neuenschwander	Quinn

Quist	Rose	Skoglund	Tompkins	Waltman
Redalen	Schafer	Solberg	Tunheim	Wenzel
Rees	Scheid	Sparby	Uphus	Wynia
Rest	Schoenfeld	Sviggum	Valan	Zaffke
Rice	Seaberg	Thiede	Valento	Spk. Jennings, D.
Richter	Shaver	Thorson	Vanasek	
Riveness	Sherman	Tjornhom	Vellenga	
Rodosovich	Simoneau	Tomlinson	Voss	

Those who voted in the negative were:

Carlson, J. Kahn

The bill was passed and its title agreed to.

H. F. No. 1117, A bill for an act relating to gifts to minors; permitting securities to be registered in the name of a broker or financial institution; amending Minnesota Statutes 1984, sections 527.02, subdivision 1; and 527.04, subdivision 7.

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 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Erickson	Krueger	Otis	Sherman
Backlund	Fjoslien	Kvam	Ozment	Simoneau
Battaglia	Forsythe	Levi	Pappas	Skoglund
Beard	Frederick	Lieder	Pauly	Solberg
Becklin	Frederickson	Long	Peterson	Sparby
Begich	Frerichs	Marsh	Piepho	Sviggum
Bennett	Greenfield	McDonald	Piper	Thiede
Bishop	Gruenes	McEachern	Poppenhagen	Thorson
Blatz	Gutknecht	McKasy	Price	Tjornhom
Boerboom	Halberg	McLaughlin	Quinn	Tomlinson
Boo	Hartinger	McPherson	Quist	Tompkins
Brandl	Hartle	Metzen	Redalen	Tunheim
Brinkman	Haukoos	Miller	Rees	Uphus
Brown	Heap	Minne	Rest	Valan
Burger	Himle	Munger	Rice	Valento
Carlson, D.	Jacobs	Murphy	Richter	Vanasek
Carlson, J.	Jaros	Nelson, D.	Riveness	Vellenga
Carlson, L.	Jennings, L.	Nelson, K.	Rodosovich	Voss
Clark	Johnson	Neuenschwander	Rose	Waltman
Clausnitzer	Kahn	Norton	Sarna	Welle
Cohen	Kalis	Ogren	Schafer	Wenzel
Dempsey	Kelly	Olsen, S.	Scheid	Wynia
DenOuden	Kiffmeyer	Olson, E.	Schoenfeld	Zaffke
Dimler	Knickerbocker	Omman	Schreiber	Spk. Jennings, D.
Dyke	Knuth	Onnen	Seaberg	
Elioff	Kostohryz	Osthoff	Shaver	

The bill was passed and its title agreed to.

H. F. No. 1150, A bill for an act relating to state lands; providing for the sale of certain tax-forfeited land in Chisago county.

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 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Erickson	Krueger	Otis	Sherman
Backlund	Fjoslien	Kvam	Ozment	Simoneau
Battaglia	Forsythe	Levi	Pappas	Skoglund
Beard	Frederick	Lieder	Pauly	Solberg
Becklin	Frederickson	Long	Peterson	Sparby
Begich	Frerichs	Marsh	Piepho	Sviggum
Bennett	Greenfield	McDonald	Piper	Thiede
Bishop	Gruenes	McEachern	Poppenhagen	Thorson
Blatz	Gutknecht	McKasy	Price	Tjornhom
Boerboom	Halberg	McLaughlin	Quinn	Tomlinson
Boo	Hartinger	McPherson	Quist	Tompkins
Brandl	Hartle	Metzen	Redalen	Tunheim
Brinkman	Haukoos	Miller	Rees	Uphus
Brown	Heap	Minne	Rest	Valan
Burger	Himle	Munger	Rice	Valento
Carlson, D.	Jacobs	Murphy	Richter	Vanasek
Carlson, J.	Jaros	Nelson, D.	Rodosovich	Vellenga
Carlson, L.	Jennings, L.	Nelson, K.	Rose	Voss
Clark	Johnson	Neuenschwander	Sarna	Waltman
Clausnitzer	Kahn	Norton	Schafer	Welle
Cohen	Kalis	Ogren	Scheid	Wenzel
Dempsey	Kelly	Olsen, S.	Schoenfeld	Wynia
DenOuden	Kiffmeyer	Olson, E.	Schreiber	Zaffke
Dimler	Knickerbocker	Omann	Seaberg	Spk. Jennings, D.
Dyke	Knuth	Onnen	Segal	
Elioff	Kostohryz	Osthoff	Shaver	

The bill was passed and its title agreed to.

H. F. No. 1193, A bill for an act relating to corrections; updating the recordkeeping systems of jails and lockups; amending Minnesota Statutes 1934, sections 641.05; and 642.07.

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 127 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Bennett	Brinkman	Clark	Dyke
Backlund	Bishop	Brown	Clausnitzer	Elioff
Battaglia	Blatz	Burger	Cohen	Erickson
Beard	Boerboom	Carlson, D.	Dempsey	Fjoslien
Becklin	Boo	Carlson, J.	DenOuden	Forsythe
Begich	Brandl	Carlson, L.	Dimler	Frederick

Frederickson	Kostohryz	Norton	Rice	Thorson
Frerichs	Krueger	Ogren	Richter	Tjornhom
Greenfield	Kvam	Olsen, S.	Riveness	Tomlinson
Gruenes	Levi	Omann	Rodosovich	Tompkins
Gutknecht	Lieder	Onnen	Rose	Tunheim
Hartinger	Long	Osthoﬀ	Sarna	Uphus
Hartle	Marsh	Otis	Schafer	Valan
Haukoos	McDonald	Ozment	Scheid	Valento
Heap	McEachern	Pappas	Schoenfeld	Vanasek
Himle	McKasy	Pauly	Schreiber	Vellenga
Jacobs	McLaughlin	Peterson	Seaberg	Voss
Jaros	McPherson	Piepho	Segal	Waltman
Jennings, L.	Metzen	Piper	Shaver	Welle
Johnson	Miller	Poppenhagen	Sherman	Wenzel
Kahn	Minne	Price	Simoneau	Wynia
Kalis	Munger	Quinn	Skoglund	Zaffke
Kelly	Murphy	Quist	Solberg	Spk. Jennings, D.
Kiffmeyer	Nelson, D.	Redalen	Sparby	
Knickerbocker	Nelson, K.	Rees	Sviggunn	
Knuth	Neuenschwander	Rest	Thiede	

The bill was passed and its title agreed to.

H. F. No. 1197, A bill for an act relating to cities of Circle Pines and Lino Lakes; permitting cities to determine the size of Circle Pines utilities commission.

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 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Ellingson	Kostohryz	Ozment	Sherman
Backlund	Erickson	Kvam	Pappas	Simoneau
Battaglia	Fjoslien	Levi	Pauly	Skoglund
Beard	Forsythe	Lieder	Peterson	Solberg
Becklin	Frederick	Long	Piepho	Sparby
Begich	Frederickson	Marsh	Piper	Sviggunn
Bennett	Frerichs	McDonald	Poppenhagen	Thiede
Bishop	Greenfield	McEachern	Price	Thorson
Blatz	Gruenes	McKasy	Quinn	Tjornhom
Boerboom	Gutknecht	McLaughlin	Quist	Tomlinson
Boo	Halberg	McPherson	Redalen	Tompkins
Brandl	Hartinger	Metzen	Rees	Tunheim
Brinkman	Hartle	Miller	Rest	Uphus
Brown	Haukoos	Minne	Rice	Valan
Burger	Heap	Munger	Richter	Valento
Carlson, D.	Himle	Murphy	Riveness	Vanasek
Carlson, J.	Jacobs	Nelson, D.	Rodosovich	Vellenga
Carlson, L.	Jaros	Neuenschwander	Rose	Voss
Clark	Jennings, L.	Norton	Sarna	Waltman
Clausnitzer	Johnson	Ogren	Schafer	Welle
Cohen	Kahn	Olsen, S.	Scheid	Wenzel
Dempsey	Kalis	Olson, E.	Schoenfeld	Wynia
DenOuden	Kelly	Omann	Schreiber	Zaffke
Dimler	Kiffmeyer	Onnen	Seaberg	Spk. Jennings, D.
Dyke	Knickerbocker	Osthoﬀ	Segal	
Elioff	Knuth	Otis	Shaver	

The bill was passed and its title agreed to.

H. F. No. 1254, A bill for an act relating to local government; permitting insurance and indemnification of certain municipal electric power personnel; correcting a statutory cross reference; amending Minnesota Statutes 1984, section 453.55, subdivision 11.

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 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Ellingson	Kostohryz	Osthoﬀ	Segal
Backlund	Erickson	Krueger	Otis	Shaver
Battaglia	Fjoslien	Kvam	Ozment	Sherman
Beard	Forsythe	Levi	Pappas	Simoneau
Becklin	Frederick	Lieder	Pauly	Skoglund
Begich	Frederickson	Long	Peterson	Solberg
Bennett	Frerichs	Marsh	Piepho	Sparby
Bishop	Greenfield	McDonald	Piper	Sviggum
Blatz	Gruenes	McEachern	Poppenhagen	Thiede
Boerboom	Gutknecht	McKasy	Price	Thorson
Boo	Halberg	McLaughlin	Quinn	Tjornhom
Brandl	Hartinger	McPherson	Quist	Tomlinson
Brinkman	Hartle	Metzen	Redalen	Tompkins
Brown	Haukoos	Miller	Rees	Tunheim
Burger	Heap	Minne	Rest	Uphus
Carlson, D.	Himle	Munger	Rice	Valan
Carlson, J.	Jacobs	Murphy	Richter	Valento
Carlson, L.	Jaros	Nelson, D.	Riveness	Vanasek
Clark	Jennings, L.	Nelson, K.	Rodosovich	Vellenga
Clausnitzer	Johnson	Neuenschwander	Rose	Voss
Cohen	Kahn	Norton	Sarna	Waltman
Dempsey	Kalis	Ogren	Schafer	Welle
DenOuden	Kelly	Olsen, S.	Scheid	Wenzel
Dimler	Kiffmeyer	Olson, E.	Schoenfeld	Wynia
Dyke	Knickerbocker	Omann	Schreiber	Zafke
Elioff	Knuth	Onnen	Seaberg	Spk. Jennings, D.

The bill was passed and its title agreed to.

H. F. No. 1319, A bill for an act relating to St. Louis county; providing a retirement contribution exemption for emergency jobs program employees; amending Laws 1984, chapter 501, section 1.

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 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Beard	Bennett	Boerboom	Brinkman
Backlund	Becklin	Bishop	Boo	Brown
Battaglia	Begich	Blatz	Brandl	Burger

Carlson, D.	Hartle	McKasy	Piepho	Skoglund
Carlson, J.	Haukoos	McLaughlin	Piper	Solberg
Carlson, L.	Heap	McPherson	Poppenhagen	Sparby
Clark	Himle	Metzen	Price	Svigum
Clausnitzer	Jacobs	Miller	Quinn	Thiede
Cohen	Jaros	Minne	Quist	Thorson
Dempsey	Jennings, L.	Munger	Redalen	Tjornhom
DenOuden	Johnson	Murphy	Rees	Tomlinson
Dinuler	Kahn	Nelson, D.	Rest	Tompkins
Dyke	Kalis	Nelson, K.	Rice	Tunheim
Elioff	Kelly	Neuenschwander	Richter	Uphus
Ellingson	Kiffmeyer	Norton	Riveness	Valan
Erickson	Knickerbocker	Ogren	Rodosovich	Valento
Fjoslien	Knuth	Olsen, S.	Rose	Vanasek
Forsythe	Kostohryz	Olson, E.	Sarna	Vellenga
Frederick	Krueger	Omann	Schafer	Voss
Frederickson	Kvam	Onnen	Scheid	Waltman
Frerichs	Levi	Osthoff	Schoenfeld	Welle
Greenfield	Lieder	Otis	Schreiber	Wenzel
Gruenes	Long	Ozment	Seaberg	Wynia
Gutknecht	Marsh	Pappas	Shaver	Zaffke
Halberg	McDonald	Pauly	Sherman	Spk. Jennings, D.
Hartinger	McEachern	Peterson	Simoneau	

The bill was passed and its title agreed to.

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Forsythe requested immediate consideration of S. F. No. 546.

S. F. No. 546 was reported to the House.

Frerichs moved to amend S. F. No. 546, the unofficial engrossment, as follows:

Page 3, line 16, delete "*to be available*"

Page 3, line 17, delete "*until June 30, 1985,*"

Page 3, line 36, delete "*, to be*"

Page 4, line 1, delete "*available until June 30, 1985,*"

The motion prevailed and the amendment was adopted.

The Speaker called Halberg to the Chair.

Erickson moved to amend S. F. No. 546, the unofficial engrossment, as amended, as follows:

Page 3, line 13, delete "AVTI" insert "STATE BOARD OF VOCATIONAL TECHNICAL EDUCATION"

The motion prevailed and the amendment was adopted.

The Speaker resumed the Chair.

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

S. F. No. 546, A bill for an act relating to agriculture; appropriating money for the state board of vocational technical education and the agricultural extension service of the University of Minnesota.

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

The question was taken on the passage of the bill and the roll was called. There were 91 yeas and 26 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Forsythe	Krueger	Price	Tjornhom
Anderson, R.	Frederick	Levi	Quinn	Tomlinson
Backlund	Frederickson	Lieder	Rees	Tompkins
Beard	Frerichs	Marsh	Rest	Tunheim
Bennett	Greenfield	McDonald	Riveness	Upphus
Blatz	Gruenes	McEachern	Rodosovich	Valan
Boerboom	Gutknecht	McKasy	Rose	Valento
Boo	Halberg	Miller	Schafer	Vanasek
Brandl	Hartinger	Murphy	Schoenfeld	Voss
Brown	Hartle	Nelson, D.	Schreiber	Waltman
Carlson, L.	Haukoos	Nelson, K.	Seaberg	Welle
Clark	Heap	Neuenschwander	Segal	Wenzel
Clausnitzer	Himle	Norton	Shaver	Wynia
DenOuden	Jacobs	Olson, E.	Simoneau	Zafke
Dimler	Jennings, L.	Onnen	Skoglund	Spk. Jennings, D.
Dyke	Johnson	Otis	Solberg	
Ellingson	Kalis	Ozment	Sparby	
Erickson	Kelly	Pappas	Sviggun	
Fjoslien	Kiffmeyer	Pauly	Thorson	

Those who voted in the negative were:

Becklin	Kahn	McLaughlin	Poppenhagen	Sarna
Brinkman	Knuth	McPherson	Quist	Scheid
Burger	Kostohryz	Ogren	Redalen	Sherman
Carlson, D.	Kvam	Omann	Rice	Thiede
Carlson, J.	Long	Osthoff	Richter	Vellenga
Cohen				

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

Vanasek was excused at 5:00 p.m.

GENERAL ORDERS

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

REPORT OF THE COMMITTEE OF THE WHOLE

The Speaker resumed the Chair, whereupon the following recommendations of the Committee were reported to the House:

H. F. No. 517 was recommended to pass.

S. F. No. 472 was recommended for progress.

H. F. Nos. 755 and 520 were recommended for progress retaining their places on General Orders.

H. F. No. 102 which it recommended to progress with the following amendments:

Offered by Schafer:

Amend the title as follows:

Page 1, line 7, delete "appropriating"

Page 1, line 8, delete "money;"

Offered by Piepho:

Page 4, line 18, delete "No" and insert "Any"

Page 4, line 24, after "(b)" insert "*which does not*"

Page 4, delete lines 25 and 26 and insert "*alcoholic beverages.*"

Offered by Dempsey and Piepho:

Page 5, after line 23, insert:

"Sec. 11. Minnesota Statutes 1984, section 340.73, subdivision 3, is amended to read:

Subd. 3. Whoever in any way procures intoxicating liquor or nonintoxicating malt liquor for the use of any person named in this section shall be deemed to have sold it to that person. Any person violating any of the provisions of this section is guilty of a gross misdemeanor, *except that a first violation of this section is a misdemeanor in any instance where the person for whom the liquor was procured was of the age of 19 or 20 years.*"

Page 6, after line 17, insert:

"Sec. 13. Minnesota Statutes 1984, section 340.732, is amended to read:

340.732 [VIOLATIONS, PENALTIES.]

Any person who violates any provision of section 340.731 is guilty of a misdemeanor, *except that a first violation by a person of the age of 19 or 20 years is a petty misdemeanor.*

In addition, any person under the age of 19 years who is convicted of purchasing or attempting to purchase an alcoholic beverage in violation of section 340.731 shall have his or her driver's license or permit to drive revoked by the commissioner of public safety for a period of 30 days if the person used a driver's license or permit to purchase or attempt to purchase the alcoholic beverage."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 14, delete "subdivision 1" and insert "subdivisions 1 and 3" and after "340.731;" insert "340.732;"

Offered by Vellenga:

Delete the Piepho amendment

Page 4, line 25, insert a period after "beverages" and delete everything after the comma

Page 4, delete line 26

Offered by Segal; Nelson, K.; Wynia; Nelson, D.; Greenfield; Vellenga; McEachern and Skoglund:

Page 1, after line 17, insert:

"Section 1. Minnesota Statutes 1984, section 124.246, subdivision 2, is amended to read:

Subd. 2. [AID.] An eligible district shall receive \$1.04 in fiscal year 1984 and \$1.08 in fiscal (YEAR) *years* 1985, 1986 and 1987 for each pupil, in average daily membership, enrolled in a public elementary, secondary or area vocational-technical or nonpublic elementary or secondary school. Aid for nonpublic school pupils shall be paid to the district upon request by or on behalf of the pupils. No district shall receive less than \$1,040 in fiscal year 1984 and \$1,080 in fiscal (YEAR) *years* 1985, 1986 and 1987.

Renumber the sections in sequence

Page 6, line 32, delete "3 and 9" and insert "4 and 10"

Amend the title as follows:

Page 1, line 7, after the semicolon insert "extending authorization for chemical use programs in schools;"

Page 1, line 9, after "sections" insert "124.246, subdivision 2;"

On the motion of Levi 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:

Dempsey and Piepho moved to amend H. F. No. 102, the second engrossment, as amended, as follows:

Page 5, after line 23, insert:

"Sec. 11. Minnesota Statutes 1984, section 340.73, subdivision 3, is amended to read:

Subd. 3. Whoever in any way procures intoxicating liquor or nonintoxicating malt liquor for the use of any person named in this section shall be deemed to have sold it to that person. Any person violating any of the provisions of this section is guilty of a gross misdemeanor, *except that a first violation of this section is a misdemeanor in any instance where the person for whom the liquor was procured was of the age of 19 or 20 years.*"

Page 6, after line 17, insert:

"Sec. 13. Minnesota Statutes 1984, section 340.732, is amended to read:

340.732 [VIOLATIONS, PENALTIES.]

Any person who violates any provision of section 340.731 is guilty of a misdemeanor, *except that a first violation by a person of the age of 19 or 20 years is a petty misdemeanor.*

In addition, any person under the age of 19 years who is convicted of purchasing or attempting to purchase an alcoholic beverage in violation of section 340.731 shall have his or her driver's license or permit to drive revoked by the commissioner of public safety for a period of 30 days if the person used a driver's license or permit to purchase or attempt to purchase the alcoholic beverage."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 14, delete "subdivision 1" and insert "subdivisions 1 and 3" and after "340.731;" insert "340.732;"

The question was taken on the Dempsey and Piepho amendment and the roll was called. There were 68 yeas and 48 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Frerichs	McEachern	Price	Solberg
Backlund	Greenfield	Minne	Quinn	Sparby
Beard	Halberg	Munger	Rice	Tomlinson
Begich	Haukoos	Murphy	Riveness	Tompkins
Bennett	Himle	Neuenschwander	Rodosovich	Tunheim
Bishop	Jacobs	Norton	Rose	Uphus
Boerboom	Jennings, L.	Ogren	Sarna	Valento
Brandl	Johnson	Olsen, S.	Scheid	Vanasek
Brinkman	Kahn	Olson, E.	Schoenfeld	Voss
Brown	Kalis	Omman	Seaberg	Welle
Carlson, L.	Kostohryz	Osthoff	Segal	Wenzel
Clark	Lieder	Pappas	Shaver	Wynia
Dempsey	Long	Piepho	Sherman	
Ellingson	Marsh	Piper	Skoglund	

Those who voted in the negative were:

Battaglia	Elioff	Kiffmeyer	Onnen	Sviggum
Becklin	Erickson	Knickerbocker	Otis	Thiede
Blatz	Forsythe	Kauth	Peterson	Thorson
Boo	Frederick	Krueger	Poppenhagen	Tjornhom
Burger	Frederickson	Levi	Quist	Valan
Carlson, D.	Gutknecht	McLaughlin	Redalen	Waltman
Carlson, J.	Hartinger	McPherson	Rees	Zaffke
Cohen	Hartle	Miller	Rest	Spk. Jennings, D.
DenOuden	Heap	Nelson, D.	Richter	
Dyke	Kelly	Nelson, K.	Schafer	

The motion prevailed and the amendment was adopted.

Sherman moved to amend H. F. No. 102, the second engrossment, as amended, as follows:

Page 3, line 3, reinstate "(19)" and insert "*years in the case of on-sale, or*" and after "years" insert "*in the case of off-sale,*"

Page 3, line 7, reinstate "(19)" and insert "*years in the case of on-sale, or*" and after "years" insert "*in the case of off-sale*"

Page 3, line 8, reinstate "(19)" and insert "*years in the case of on-sale, or*" and after "years" insert "*in the case of off-sale,*"

Page 4, line 13, after "*of*" insert "*19 years in the case of on-sale, or*" and after "years" insert "*in the case of off-sale,*"

Page 5, line 22, reinstate "(19)" and insert *"years in the case of on-sale, or"*

Page 5, line 23, after "years" insert *"in the case of off-sale"*

Page 5, line 28, reinstate "(19)"

Page 5, line 29, before "21" insert *"years in the case of on-sale, or"* and after "years" insert *"in the case of off-sale,"*

Page 5, line 34, reinstate "(19)" and insert *"years in the case of on-sale, or"* and after "years" insert *"in the case of off-sale,"*

Page 6, line 5, reinstate "(19)" and insert *"years in the case of on-sale, or"* and after "years" insert *"in the case of off-sale,"*

Page 6, line 9, after "guardian" insert *", except that a person who has reached the age of 19 years may possess and consume intoxicating liquor or non-intoxicating malt liquor in a licensed on-sale establishment"*

Page 6, line 10, strike "at a place"

Page 6, strike line 11

Page 6, line 12, strike "be" and insert *"in violation of this subdivision is"*

Page 6, line 12, strike everything after "consume"

Page 6, strike line 17, and insert *"it in violation of this subdivision"*

Page 6, line 17, after "guardian" insert *"except that a person who has reached the age of 19 years may possess and consume intoxicating liquor or non-intoxicating malt liquor in a licensed on-sale establishment."*

Page 6, delete lines 18 to 28

Page 6, line 29, delete "13" and insert "12"

Page 6, line 31, delete "14" and insert "13"

Page 6, line 32, before "sections" insert "(1)"

Page 6, line 33, following "act" insert *", except as provided in clause (2),"*

Page 6, after line 33, insert *"(b) Sections 4, 7, 10 and 11 are effective September 1, 1985."*

Amend the title as follows:

Page 1, line 4, after "furnishing" insert "in certain instances"

Page 1, line 14, after "1;" insert "and"

Page 1, line 14, delete "and 340.80;"

The question was taken on the Sherman amendment and the roll was called. There were 55 yeas and 68 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Frerichs	McEachern	Pauly	Skoglund
Beard	Gruenes	McPherson	Piepho	Solberg
Bishop	Gutknecht	Miller	Piper	Sparby
Boerboom	Halberg	Minne	Quinn	Tunheim
Brandl	Jaros	Munger	Riveness	Uphus
Brinkman	Jennings, L.	Neuenschwander	Rodosovich	Vaian
Brown	Johnson	Norton	Scheid	Valento
Clark	Krueger	Olsen, S.	Schoenfeld	Vanasek
Clausnitzer	Kvam	Olson, E.	Schreiber	Vellenga
Dempsey	Levi	Omann	Sherman	Voss
Dyke	Lieder	Osthoff	Simoneau	Wenzel

Those who voted in the negative were:

Anderson, R.	Ellingson	Kalis	Onnen	Segal
Backlund	Erickson	Kelly	Ozment	Shaver
Battaglia	Fjoslien	Kiffmeyer	Pappas	Sviggum
Becklin	Forsythe	Knickerbocker	Popenhagen	Thiede
Begich	Frederick	Knuth	Price	Thorson
Bennett	Frederickson	Kostohryz	Quist	Tjornhom
Blatz	Greenfield	Long	Rees	Tomlinson
Boo	Hartinger	Marsh	Rest	Waltman
Carlson, J.	Hartle	McDonald	Rice	Welle
Carlson, L.	Haukoos	McKasy	Richter	Wynia
Cohen	Hcap	Murphy	Rose	Zaffke
DenOuden	Himle	Nelson, D.	Sarna	Spk. Jennings, D.
Dinler	Jacobs	Nelson, K.	Schafer	
Elioff	Kahn	Ogren	Seaberg	

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

Riveness and Bishop moved to amend H. F. No. 102, the second engrossment, as amended, as follows:

Page 6, delete lines 32 and 33, and insert:

"Sections 1 to 13 are effective the day following the date upon which those states contiguous to the state of Minnesota adopt a legal age of 21 for consumption of alcoholic beverages and the adoption of that age becomes effective."

The question was taken on the Riveness and Bishop amendment and the roll was called. There were 53 yeas and 68 nays as follows:

Those who voted in the affirmative were:

Begich	Jaros	Miller	Pappas	Skoglund
Bishop	Jennings, L.	Minne	Piepho	Solberg
Boerboom	Johnson	Murphy	Piper	Tunheim
Brandl	Kahn	Neuenschwander	Quinn	Valan
Brinkman	Knuth	Norton	Riveness	Vellenga
Brown	Kostohryz	Ogren	Rodosovich	Voss
Clark	Levi	Olsen, S.	Rose	Welle
Dempsey	Lieder	Olson, E.	Scheid	Wenzel
Dyke	Long	Omann	Shaver	Wynia
Greenfield	McEachern	Osthoff	Sherman	
Jacobs	McLaughlin	Otis	Simoneau	

Those who voted in the negative were:

Anderson, R.	Erickson	Kalis	Peterson	Sparby
Backlund	Fjoslien	Kelly	Poppenhagen	Svigum
Battaglia	Forsythe	Kiffmeyer	Price	Thiede
Beard	Frederick	Knickerbocker	Quist	Thorson
Becklin	Frederickson	Krueger	Redalen	Tjornhom
Blatz	Frerichs	Kvam	Rees	Tomlinson
Boo	Gruenes	Marsh	Rest	Tompkins
Burger	Gutknecht	McKasy	Richter	Uphus
Carlson, D.	Halberg	McPherson	Sarna	Valento
Carlson, L.	Hartinger	Nelson, D.	Schafer	Waltman
Clausnitzer	Hartle	Nelson, K.	Schoenfeld	Zaffke
Cohen	Haukoos	Onnen	Schreiber	Spk. Jennings, D.
DenOuden	Heap	Ozment	Seaberg	
Elioff	Himle	Pauly	Segal	

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

Segal; Nelson, K.; Wynia; Nelson, D.; Greenfield; Vellenga; McEachern and Skoglund moved to amend H. F. No. 102, the second engrossment, as amended, as follows:

Page 1, after line 17, insert:

"Section 1. Minnesota Statutes 1984, section 124.246, subdivision 2, is amended to read:

Subd. 2. [AID.] An eligible district shall receive \$1.04 in fiscal year 1984 and \$1.08 in fiscal (YEAR) *years* 1985, 1986 and 1987 for each pupil, in average daily membership, enrolled in a public elementary, secondary or area vocational-technical or nonpublic elementary or secondary school. Aid for nonpublic school pupils shall be paid to the district upon request by or on behalf of the pupils. No district shall receive less than \$1,040 in fiscal year 1984 and \$1,080 in fiscal (YEAR) *years* 1985, 1986 and 1987.

Renumber the sections in sequence

Page 6, line 32, delete "*3 and 9*" and insert "*4 and 10*"

Amend the title as follows:

Page 1, line 7, after the semicolon insert "extending authorization for chemical use programs in schools;"

Page 1, line 9, after "sections" insert "124.246, subdivision 2;"

The question was taken on the Segal et al., amendment and the roll was called. There were 66 yeas and 61 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Ellingson	McLaughlin	Piper	Solberg
Battaglia	Fjoslien	Minne	Price	Sparby
Beard	Greenfield	Munger	Quinn	Tomlinson
Begich	Jacobs	Murphy	Rest	Tompkins
Bishop	Jaros	Nelson, D.	Rice	Tunheim
Brandl	Jennings, L.	Nelson, K.	Riveness	Valento
Brinkman	Kahn	Neuenschwander	Rodosovich	Vellenga
Brown	Kalis	Norton	Sarna	Voss
Carlson, D.	Kelly	Ogren	Scheid	Welle
Carlson, L.	Kostohryz	Olson, E.	Schoenfeld	Wynia
Clark	Krueger	Osthoff	Segal	
Cohen	Lieder	Otis	Sherman	
Dyke	Long	Pappas	Simoneau	
Elioff	McEachern	Peterson	Skoglund	

Those who voted in the negative were:

Anderson, R.	Forsythe	Kiffmeyer	Pauly	Thiede
Backlund	Frederick	Knickerbocker	Piepho	Thorson
Becklin	Frederickson	Kvam	Poppenhagen	Tjornhom
Bennett	Frerichs	Levi	Quist	Uphus
Blatz	Gruenes	Marsh	Redalen	Valan
Buerboom	Gutknecht	McDonald	Rees	Waltman
Boo	Halberg	McKasy	Richter	Wenzel
Burger	Hartinger	McPherson	Rose	Zaffke
Carlson, J.	Hartle	Miller	Schafer	Spk. Jennings, D.
Clausnitzer	Haukoos	Olsen, S.	Schreiber	
Dempsey	Heap	Omann	Seaberg	
DenOuden	Himle	Onnen	Shaver	
Erickson	Johnson	Ozment	Sviggum	

The motion prevailed and the amendment was adopted.

MOTIONS AND RESOLUTIONS

Halberg moved that his name be stricken and the name of Rees be added as chief author on H. F. No. 364. The motion prevailed.

Schreiber moved that his name be stricken and the name of Valento be added as chief author on H. F. No. 849. The motion prevailed.

Valento moved that the names of Solberg and Voss be stricken and the name of Johnson be added as an author on H. F. No. 1005. The motion prevailed.

O'Connor moved that the name of Pappas be added as an author on H. F. No. 1064. The motion prevailed.

Gutknecht moved that the name of Knickerbocker be added as an author on H. F. No. 1267. The motion prevailed.

McLaughlin moved that his name be shown as second author and the name of Blatz be added as chief author on H. F. No. 1272. The motion prevailed.

Shaver moved that the name of Heap be added as an author on H. F. No. 1444. The motion prevailed.

Simoneau moved that the name of Sparby be added as an author on H. F. No. 1452. The motion prevailed.

Simoneau moved that the name of Sparby be added as an author on H. F. No. 1453. The motion prevailed.

Thiede moved that the name of Sparby be added as an author on H. F. No. 1464. The motion prevailed.

Price moved that the name of Sparby be added as an author on H. F. No. 1476. The motion prevailed.

Segal moved that the names of Staten, Greenfield and Kahn be added as authors on H. F. No. 1493. The motion prevailed.

Fjoslien moved that the name of Sparby be added as an author on H. F. No. 1506. The motion prevailed.

Rose moved that H. F. No. 961 be recalled from the Committee on Appropriations and be re-referred to the Committee on Environment and Natural Resources. The motion prevailed.

Fjoslien, Dimler, Osthoff, Thorson and Schafer introduced:

House Concurrent Resolution No. 8, A house concurrent resolution designating the "Red Ribbon" to commemorate Minnesota citizens who are still missing in action or are being held against their will in Asian countries.

The Concurrent Resolution was referred to the Committee on General Legislation and Veterans Affairs.

ADJOURNMENT

Levi moved that when the House adjourns today it adjourn until 2:00 p.m., Thursday, April 11, 1985. The motion prevailed.

Levi moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:00 p.m., Thursday, April 11, 1985.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

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[35th Day