

FORTY-FOURTH DAY

St. Paul, Minnesota, Thursday, April 30, 1981

The Senate met at 9:00 a.m. and was called to order by the President.

Prayer was offered by the Chaplain, Rev. Frederick O. Atkinson.

The roll was called, and the following Senators answered to their names:

Ashbach	Dicklich	Kronebusch	Penny	Sikorski
Bang	Dieterich	Langseth	Peterson, C.C.	Solon
Belanger	Engler	Lantry	Peterson, D.L.	Spear
Benson	Frank	Lessard	Peterson, R.W.	Stern
Berg	Frederick	Lindgren	Petty	Stokowski
Berglin	Frederickson	Luther	Pillsbury	Stumpf
Bernhagen	Hanson	Menning	Purfeerst	Taylor
Bertram	Humphrey	Merriam	Ramstad	Tennessen
Brataas	Johnson	Moe, D.M.	Renneke	Ulland
Chmielewski	Keefe	Moe, R.D.	Rued	Vega
Dahl	Knoll	Nelson	Schmitz	Waldorf
Davies	Knutson	Olhoft	Setzepfandt	Wegener
Davis	Kroening	Pehler	Sieloff	Willet

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

MEMBERS EXCUSED

Mr. Hughes was excused from the Session of today. Mr. Sieloff was excused from this morning's Session.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

April 29, 1981

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives
The Honorable Jack Davies
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1981 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preser-

vation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Date Approved 1981	Date Filed 1981
	349	54	April 28	April 28
	521	55	April 28	April 28
263		56	April 28	April 28

Sincerely,

Joan Anderson Growe
Secretary of State

April 29, 1981

The Honorable Jack Davies
President of the Senate

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State, S. F. Nos. 642 and 718.

Sincerely yours,

Albert H. Quie, Governor

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S. F. Nos. 1057, 149, 182, 218 and 329.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 29, 1981

Mr. President:

I have the honor to announce the adoption by the House of the following House Concurrent Resolution, herewith transmitted:

House Concurrent Resolution No. 3: A House concurrent resolution providing for a joint convention of the Senate and the House of Representatives to elect members of the Board of Regents of the University of Minnesota.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 29, 1981

Mr. Hanson moved that House Concurrent Resolution No. 3 be laid on the table. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 79.

H. F. No. 79: A bill for an act relating to commerce; providing for the regulation and licensing of precious metal dealers; establishing identification procedures and recording requirements; prohibiting certain transactions; providing for criminal and civil penalties; providing remedies; amending Minnesota Statutes 1980, Section 609.53, Subdivision 4, and by adding subdivi-

sions; proposing new law coded in Minnesota Statutes, Chapter 325F.

And the House respectfully requests that a Conference Committee of three members be appointed thereon.

Pogemiller, Vanasek and Blatz have been appointed as such committee on the part of the House.

House File No. 79 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 29, 1981

Mr. Petty moved that the Senate accede to the request of the House for a Conference Committee on H. F. No. 79, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 157.

H. F. No. 157: A bill for an act relating to public welfare; providing that every birth to a minor shall be reported within three working days to the commissioner of public welfare; amending Minnesota Statutes 1980, Section 257.33.

And the House respectfully requests that a Conference Committee of three members be appointed thereon.

Hokanson; Clark, J. and Zubay have been appointed as such committee on the part of the House.

House File No. 157 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 29, 1981

Mr. Hanson moved that H. F. No. 157 be laid on the table. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 326.

H. F. No. 326: A bill for an act relating to health; changing eligibility requirements for catastrophic health expense protection; including insurance premiums; appropriating money; amending Minnesota Statutes 1980, Sections 62E.52, Subdivisions 2 and 3; 62E.53, Subdivisions 1 and 2; and 62E.531, Subdivision 2.

And the House respectfully requests that a Conference Committee of three members be appointed thereon.

Swanson; Carlson, L. and Reif have been appointed as such committee on

the part of the House.

House File No. 326 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 29, 1981

Mr. Hanson moved that H. F. No. 326 be laid on the table. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 969.

H. F. No. 969: A bill for an act relating to metropolitan government; authorizing the metropolitan council to prepare guidelines relating to the amendment of comprehensive plans; amending Minnesota Statutes 1980, Section 473.864, Subdivision 2.

And the House respectfully requests that a Conference Committee of three members be appointed thereon.

Voss, Schreiber and McCarron have been appointed as such committee on the part of the House.

House File No. 969 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 29, 1981

Mr. Hanson moved that H. F. No. 969 be laid on the table. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H. F. Nos. 515, 217, 668, 691 and 1446.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 29, 1981

FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committees indicated.

H. F. No. 515: A bill for an act relating to coroners; eliminating the requirement of filing a certificate of no inquest; amending Minnesota Statutes 1980, Section 390.17.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 656, now on General Orders.

H. F. No. 217: A bill for an act relating to state trails; authorizing the sale or conveyance of certain lands acquired for the Luce Line Trail and certain other lands acquired for trail purposes; reducing the selling price on the sale of

certain state owned trail land in Fillmore County.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 1055, now on General Orders.

H. F. No. 668: A resolution memorializing the President and Congress to design the 1981 farm bill so as to protect the family farm system.

Referred to the Committee on Rules and Administration.

H. F. No. 691: A bill for an act relating to court reporting; permitting the use of electronic recording equipment in certain district court proceedings; amending Minnesota Statutes 1980, Sections 486.02 and 486.03; and proposing new law coded in Minnesota Statutes, Chapter 484.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 1211, now on General Orders.

H. F. No. 1446: A bill for an act relating to the organization and operation of state government; appropriating money for welfare, corrections, health, and other purposes with certain conditions; providing appropriations for the departments of public welfare, economic security, corrections, health, sentencing guidelines, corrections ombudsman, and health related boards; amending Minnesota Statutes 1980, Sections 241.021, by adding subdivisions; 241.13; 241.69, Subdivision 4; 245.0313; 245.765, Subdivision 1; 246.151; 254A.03, by adding a subdivision; 256.73, Subdivision 2; 256.76, Subdivision 1; 256B.02, Subdivision 8; 256B.06, Subdivision 1; 256B.091, by adding a subdivision; 256B.15; 256B.17; 256D.01, Subdivision 1; 256D.02, Subdivisions 4 and 13; 256D.05, Subdivision 3, and by adding a subdivision; 256D.06, Subdivision 1, and by adding a subdivision; 256D.08, Subdivision 2; 256D.09, Subdivision 1; 256D.11, Subdivisions 1, 8 and 9, and by adding a subdivision; 260.311, Subdivision 5; 393.07, Subdivision 10; 401.04; and 401.12; proposing new law coded in Minnesota Statutes, Chapters 144; 245; 256D and 257; repealing Minnesota Statutes, Sections 256D.06, Subdivisions 1a and 2; 256D.09, Subdivision 2; and 256D.11, Subdivisions 1a, 2a, and 3a.

Mr. Moe, R. D. moved that H. F. No. 1446 be laid on the table. The motion prevailed.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Rule 35, together with the committee report thereon,

S. F. No. 715: A bill for an act relating to counties; making state land subject to county land use planning and zoning; amending Minnesota Statutes 1980, Section 394.24, Subdivision 3.

Reports the same back with the recommendation that the report from the Committee on Local Government and Urban Affairs shown in the Journal for April 13, 1981, be amended to read:

"The bill be re-referred to the Committee on Agriculture and Natural Resources." Report adopted.

Mr. Moe, R. D. from the Committee on Rules and Administration, to which was re-referred

S. F. No. 1101: A bill for an act relating to economic development; providing for changes in the small business finance agency law to better provide assistance for small business; making technical changes; amending Minnesota Statutes 1980, Sections 362.50, Subdivisions 4, 5, 9 and 10; 362.52, Subdivisions 2 and 4; 362.53, Subdivisions 11, 12, 15 and 17; repealing Minnesota Statutes 1980, Section 362.50, Subdivisions 6 and 7.

Reports the same back with the recommendation that the bill be re-referred to the Committee on Finance. Report adopted.

Mr. Moe, R. D. from the Committee on Rules and Administration, to which was re-referred

S. F. No. 446: A bill for an act relating to the legislature; changing the membership and manner of appointment of certain committees and commissions with legislative members; amending Minnesota Statutes 1980, Sections 3.30, Subdivision 2; 15.50, Subdivision 1; 16.872, Subdivision 3; and 121.938, Subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 34, delete "11" and insert "12"

Page 2, line 35, strike "Three" and insert "Four"

Page 3, line 27, reinstate the stricken "15" and delete "17"

Page 4, line 6, strike "four" and insert "two"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was-referred

H. F. No. 126 for comparison with companion Senate File, reports the following House File was found not identical with its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F.No.
126	415				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H. F. No. 126 be amended as follows:

Page 1, line 26, delete "Subd. 3. [ACCESS POINTS.]"

Page 1, line 27, before "public" insert "the"

Page 1, lines 27 and 28, delete "containing an aeration system"

Page 1, line 28, delete "and other areas"

Page 2, line 1, delete "commonly used by the public for access to the lake"

Page 2, line 4, delete "4" and insert "3"

Page 2, line 12, delete "5" and insert "4"

Delete sections 2 and 3

Amend the title as follows:

Page 1, lines 5 to 9, delete "changing and clarifying administrative provisions regarding watershed districts; permitting use of a map to show notification of an assessment area; amending Minnesota Statutes 1980, Sections 112.36; 112.53, Subdivision 1;"

And when so amended H. F. No. 126 will be identical to S. F. No. 415, and further recommends that H. F. No. 126 be given its second reading and substituted for S. F. No. 415, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S. F. Nos. 1390 and 446 were read the second time.

SECOND READING OF HOUSE BILLS

H. F. No. 126 was read the second time.

MOTIONS AND RESOLUTIONS

Mr. Langseth, for Mr. Hughes, moved that H. F. No. 70 be withdrawn from the Committee on Education and re-referred to the Committee on Rules and Administration. The motion prevailed.

Mr. Petty moved that the name of Mr. Frank be added as co-author to S. F. No. 729. The motion prevailed.

Mr. Solon moved that the name of Mr. Vega be added as co-author to S. F. No. 793. The motion prevailed.

GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Peterson, D.L. in the chair.

After some time spent therein, the committee arose, and Mr. Peterson, D. L. reported that the committee had considered the following:

S. F. No. 64 and H. F. Nos. 211, 443 and 634, which the committee recommends to pass.

S.F. No. 22, which the committee recommends be returned to the Committee on Commerce, subject to the following motion:

Mr. Davies moved to amend S. F. No. 22 as follows:

Pages 2 to 4, delete sections 2 to 4

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, delete "requiring the suspension of licenses of"

Page 1, delete line 7

Page 1, line 9, delete "; proposing new law coded in" and insert a period

Page 1, delete line 10

The motion prevailed. So the amendment was adopted.

H. F. No. 131, which the committee reports progress, subject to the following motion:

Mr. Hanson moved to amend H. F. No. 131, as amended pursuant to Rule 49, adopted by the Senate April 8, 1981, as follows:

(The text of the amended House File is identical to S.F. No. 154.)

Page 1, line 17, after "*releasing*" insert "*the information specified below*"

Page 1, line 21, delete "*any of*" and insert ". *This subdivision applies to*"

Page 2, line 11, after the comma, insert "*which request is*"

Page 2, line 12, delete "*with*" and insert "*by*"

Page 2, line 12, delete "*photostatic*"

Page 2, line 13, delete "*shall*" and insert "*is*"

Page 2, line 13, delete "*be*"

Page 2, line 17, delete the comma

Page 2, line 18, delete the comma

Page 2, line 21, delete ", *if closed,*"

Page 2, line 21, delete "*of closing*" and insert "*it was closed or restricted*"

Page 2, line 27, delete "*shall*" and insert "*are*"

Page 2, line 27, delete "*be*"

Page 2, line 31, delete "*issuer's*"

Page 2, delete lines 33 to 36 and insert "*money.*"

Page 3, delete line 1

Page 3, line 8, delete "*the*"

Page 3, line 8, after "*or*" insert "*to*"

The motion prevailed. So the amendment was adopted.

H. F. No. 131 was then progressed.

H. F. No. 932, which the committee recommends to pass with the following amendment offered by Mr. Merriam:

Strike the Rule 49 amendment adopted by the Senate April 27, 1981, and amend H. F. No. 932 as follows:

Page 54, line 13, delete "*new*" and insert "*net*"

Page 121, line 13, strike "*returned*" and insert "*reported*"

The motion prevailed. So the amendment was adopted.

H. F. No. 486, which the committee recommends to pass, subject to the following motion:

Mr. Spear moved that the amendment made to H. F. No. 486 by the Committee on Rules and Administration in the report adopted April 15, 1981, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

S. F. No. 43, which the committee reports progress, subject to the following motion:

Mr. Davies moved to amend S. F. No. 43 as follows:

Page 1, line 24, before "A" insert "*In the case of*"

Page 1, line 25, after the first "*claimant*" insert "*, the rule of joint liability is limited so that the person*"

The motion prevailed. So the amendment was adopted.

S. F. No. 43 was then progressed.

H. F. No. 624, which the committee recommends to pass with the following amendments offered by Messrs. Menning and Davies:

Mr. Menning moved to amend H. F. No. 624, as amended pursuant to Rule 49, adopted by the Senate April 9, 1981, as follows:

(The text of the amended House File is identical to S. F. No. 509.)

Page 5, delete sections 5 and 6

Page 15, line 13, delete "23" and insert "21"

Renumber the sections in sequence

Amend the title as follows:

Page 1, lines 11 and 12, delete "241.64, Subdivisions 1 and 2;"

The motion prevailed. So the amendment was adopted.

Mr. Dicklich moved to amend H. F. No. 624, as amended pursuant to Rule 49, adopted by the Senate April 9, 1981, as follows:

(The text of the amended House File is identical to S. F. No. 509.)

Page 8, line 33, after "board" insert "*by a majority vote of its members*"

Page 9, line 22, strike "unanimous consent" and insert "*a majority vote of the members*"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 8 and nays 42, as follows:

Those who voted in the affirmative were:

Davies	Dieterich	Nelson	Petty	Spear
Dicklich	Moe, D. M.	Peterson, R. W.		
Those who voted in the negative were:				
Belanger	Frank	Lessard	Peterson, D. L.	Taylor
Benson	Frederick	Lindgren	Pillsbury	Ulland
Berg	Frederickson	Luther	Purfeerst	Vega
Bernhagen	Keefe	Menning	Ramstad	Waldorf
Bertram	Knutson	Merriam	Renneke	Wegener
Brataas	Kroening	Olthoft	Rued	Willet
Chmielewski	Kronebusch	Pehler	Schmitz	
Dahl	Langseth	Penny	Stern	
Davis	Lantry	Peterson, C. C.	Stokowski	

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

Mr. Davies moved to amend H. F. No. 624, as amended pursuant to Rule 49, adopted by the Senate April 9, 1981, as follows:

(The text of the amended House File is identical to S. F. No. 509.)

Page 2, line 30, after "died" insert "*, been released*"

Page 2, line 31, before "or" strike the comma

Page 3, line 15, after "died" insert "*, been released*"

The motion prevailed. So the amendment was adopted.

H. F. No. 28, which the committee reports progress, subject to the following motion:

Mr. Bernhagen moved to amend H. F. No. 28, the unofficial engrossment, as follows:

Page 2, line 28, delete "*, but*" and insert "*. 'Pension or investment fund'*"

Page 2, line 28, after "a" insert "*family trust, benevolent trust, or*"

Page 3, line 6, before the semicolon insert "*, including a mortgage on real property taken to secure a participation loan or advance of credit by a financial institution or an insurance company*"

The motion prevailed. So the amendment was adopted.

H. F. No. 28 was then progressed.

H. F. No. 829, which the committee recommends to pass, subject to the following motions:

Mr. Frank moved that the amendment made to H. F. No. 829 by the Committee on Local Government and Urban Affairs in the report adopted April 8, 1981, be stricken. The motion prevailed. So the amendment was stricken.

Mr. Merriam moved to amend H. F. No. 829 as follows:

Page 1, after line 14, insert:

"Sec. 2. Minnesota Statutes 1980, Section 375.03, is amended to read:

375.03 [TERM OF COMMISSIONERS.]

In each new county, and in each county which shall be entitled to an increase of the number of commissioners, there shall be elected at the next general election a commissioner from each odd-numbered district for a term of two years, and one from each even-numbered district for a term of four years; *except that the county commissioners elected at the most recent general election shall continue to serve for their entire four year term, provided that there are not two county commissioners residing in the same district*; and thereafter all commissioners shall be elected for a term of four years, except that elections to fill vacancies shall be for the unexpired term only. In counties having a population of more than 150,000, every such commissioner, before he enters upon his duties, shall give bond to the state in the sum of \$10,000, with a legally authorized surety company as surety, conditioned for the faithful performance of his official duties. Such bond shall be approved by a judge of the

district court, and together with his oath of office and certificate of election, be filed with the county recorder. The premium on the bond shall not exceed that prescribed by law for county treasurers, and shall be paid by the county."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after "commissioners;" insert "setting terms;"

Page 1, line 4, delete "Section" and insert "Sections"

Page 1, line 4, before the period, insert "; and 375.03"

The motion prevailed. So the amendment was adopted.

The question was taken on the recommendation to pass H. F. No. 829.

The roll was called, and there were yeas 28 and nays 22, as follows:

Those who voted in the affirmative were:

Berglin	Humphrey	Merriam	Setzepfandt	Tennessen
Bertram	Kroening	Moe, D. M.	Sikorski	Vega
Dahl	Langseth	Nelson	Spear	Waldorf
Davies	Lantry	Pehler	Stern	Wegener
Davis	Lessard	Peterson, C. C.	Stokowski	
Frank	Luther	Petty	Stumpf	

Those who voted in the negative were:

Ashbach	Dieterich	Kronebusch	Pillsbury	Taylor
Belanger	Frederick	Lindgren	Purfeerst	Ulland
Benson	Frederickson	Olhoft	Ramstad	
Berg	Keeffe	Peterson, D. L.	Renneke	
Brataas	Knutson	Peterson, R. W.	Rued	

The motion prevailed. So H. F. No. 829 was recommended to pass.

H. F. No. 407, which the committee recommends to pass with the following amendment offered by Mr. Stern:

Page 1, line 12, after "of" insert "*and is within the coverage of*"

Page 1, line 13, before the semicolon, insert "*if such insurer becomes an insolvent insurer after the effective date of this act*"

Page 2, after line 12, insert:

"Sec. 2. Minnesota Statutes 1980, Section 60C.03, is amended by adding a subdivision to read:

Subd. 8. "Insolvent insurer" means an insurer licensed to transact insurance in this state, either at the time the policy was issued, or when the insured event occurred, and against whom an order of liquidation with a finding of insolvency has been entered after the effective date of this act by a court of competent jurisdiction, in the insurer's state of domicile or of this state, under the provisions of Minnesota Statutes, Chapter 60B, and which order of liquidation has not been stayed or been the subject of a writ of supersedeas or other comparable order.

Sec. 3. [REPEALER.]

Minnesota Statutes 1980, Section 60C.10, Subdivision 2, is repealed."

Amend the title as follows:

Page 1, line 5, before the period, insert “, and by adding a subdivision; repealing Minnesota Statutes 1980, Section 60C.10, Subdivision 2”

The motion prevailed. So the amendment was adopted.

On motion of Mr. Peterson, D. L., the report of the Committee of the Whole, as kept by the Secretary, was adopted.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess until 1:30 p.m. The motion prevailed.

The hour of 1:30 p.m. having arrived, the President called the Senate to order.

Without objection, the Senate reverted to the Order of Business of Motions and Resolutions. Under the Order of Business of Motions and Resolutions, the Senate proceeded to the Order of Business of Introduction and First Reading of Senate Bills.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bill was read the first time.

Mr. Willet, for the Committee on Finance, introduced—

S.F. No. 1391: A bill for an act relating to the organization and operation of state government; appropriating money for welfare, corrections, health, and other purposes with certain conditions; providing appropriations for the departments of public welfare, economic security, corrections, health, sentencing guidelines, corrections ombudsman, and health related boards; amending Minnesota Statutes 1980, Sections 16.851, by adding a subdivision; 144A.08, by adding a subdivision; 145.913, by adding a subdivision; 145.914, Subdivision 2; 241.021, by adding subdivisions; 241.13; 241.69, Subdivision 4; 245.0313; 245.765, Subdivision 1; 245.802, by adding a subdivision; 245.812, by adding a subdivision; 245.84, Subdivision 2; 246.151; 246.54; 256.76, Subdivision 1; 256.87; 256.872; 256.873; 256.875; 256.877; 256B.02, Subdivision 8; 256B.03; 256B.06, Subdivision 1; 256B.08; 256B.15; 256D.01, Subdivision 1; 256D.02, Subdivisions 4 and 8; 256D.03, Subdivisions 2 and 3, and by adding a subdivision; 256D.04; 256D.05, Subdivisions 1 and 4, and by adding a subdivision; 256D.06, Subdivisions 1 and 2, and by adding a subdivision; 256D.14; 260.311, Subdivision 5; 261.23; 393.07, Subdivision 10; 401.04; 401.12; 517.08, Subdivision 1b, and by adding a subdivision; 518.54, by adding subdivisions; 518.551; and 518.611; 518.64, by adding a subdivision; proposing new law coded in Minnesota Statutes, Chapters 144; 145; 241; 245; 256D; and 609; repealing Minnesota Statutes 1980, Sections 256.87, Subdivision 3; 256D.02, Subdivisions 9 and 10; and 256D.11.

Under the rules of the Senate, laid over one day.

MOTIONS AND RESOLUTIONS - CONTINUED

SUSPENSION OF RULES

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe,

R.D. moved to take up the Senate Calendar and waive the lie-over requirement. The motion prevailed.

CALENDAR

H. F. No. 1052: A bill for an act relating to state lands; providing for the conveyance of certain land to the city of Fergus Falls.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 44 and nays 14, as follows:

Those who voted in the affirmative were:

Bang	Frank	Luther	Petty	Spear
Belanger	Hanson	Menning	Pillsbury	Stern
Berglin	Humphrey	Moe, D. M.	Purfeerst	Stokowski
Bernhagen	Knutson	Moe, R. D.	Renneke	Tennessen
Chmielewski	Kroening	Nelson	Rued	Vega
Dahl	Kronebusch	Olhoft	Schmitz	Waldorf
Dicklich	Langseth	Pehler	Setzepfandt	Wegener
Dieterich	Lantry	Penny	Sikorski	Willet
Engler	Lindgren	Peterson, C.C.	Solon	

Those who voted in the negative were:

Ashbach	Brataas	Frederick	Peterson, R.W.	Taylor
Benson	Davies	Frederickson	Ramstad	Uiland
Berg	Davis	Merriam	Stumpf	

So the bill passed and its title was agreed to.

S. F. No. 15: A bill for an act relating to statutes; providing a general reference for statutes that change dollar amounts to conform to price changes; proposing new law coded in Minnesota Statutes, Chapter 645.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 34 and nays 25, as follows:

Those who voted in the affirmative were:

Chmielewski	Knutson	Nelson	Renneke	Stokowski
Dahl	Langseth	Olhoft	Schmitz	Stumpf
Davies	Lantry	Penny	Setzepfandt	Tennessen
Davis	Lessard	Peterson, C.C.	Sikorski	Vega
Dicklich	Luther	Peterson, R.W.	Solon	Wegener
Humphrey	Merriam	Petty	Spear	Willet
Knoll	Moe, R. D.	Purfeerst	Stern	

Those who voted in the negative were:

Ashbach	Berglin	Frank	Kroening	Pillsbury
Bang	Bernhagen	Frederick	Kronebusch	Ramstad
Belanger	Brataas	Frederickson	Menning	Rued
Benson	Dieterich	Hanson	Moe, D. M.	Taylor
Berg	Engler	Johnson	Pehler	Uiland

So the bill passed and its title was agreed to.

H. F. No. 63: A bill for an act relating to health maintenance organizations; eliminating any requirements that certain health maintenance organizations provide elective, induced abortions; amending Minnesota Statutes 1980, Sections 62D.02, Subdivision 7; 62D.20; and 62D.22, Subdivision 5.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 47 and nays 13, as follows:

Those who voted in the affirmative were:

Belanger	Frederickson	Lessard	Peterson, D.L.	Stumpf
Benson	Hanson	Lindgren	Purfeerst	Taylor
Berg	Humphrey	Luther	Ramstad	Ulland
Bernhagen	Johnson	Menning	Renneke	Vega
Chmielewski	Knoll	Merriam	Rued	Waldorf
Dahl	Knutson	Moe, R. D.	Schmitz	Wegener
Davis	Kroening	Olhoft	Setzepfandt	Willet
Engler	Kronebusch	Pehler	Sikorski	
Frank	Langseth	Penny	Solon	
Frederick	Lantry	Peterson, C.C.	Stokowski	

Those who voted in the negative were:

Ashbach	Brataas	Dieterich	Pillsbury	Tennessee
Bang	Davies	Nelson	Spear	
Berglin	Dicklich	Peterson, R.W.	Stern	

So the bill passed and its title was agreed to.

S. F. No. 1247: A bill for an act relating to education; permitting districts to purchase insurance coverage for the operation of leased buses in certain circumstances; amending Minnesota Statutes 1980, Section 123.39, Subdivisions 8 and 9 and by adding a subdivision.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Dieterich	Lantry	Peterson, D.L.	Stern
Bang	Engler	Lessard	Peterson, R.W.	Stokowski
Belanger	Frank	Lindgren	Petty	Stumpf
Benson	Frederick	Luther	Pillsbury	Taylor
Berg	Frederickson	Menning	Purfeerst	Tennessee
Berglin	Hanson	Merriam	Ramstad	Ulland
Bernhagen	Humphrey	Moe, D. M.	Renneke	Vega
Brataas	Johnson	Moe, R. D.	Rued	Waldorf
Chmielewski	Knoll	Nelson	Schmitz	Wegener
Dahl	Knutson	Olhoft	Setzepfandt	Willet
Davis	Kroening	Pehler	Sikorski	
Davis	Kronebusch	Penny	Solon	
Dicklich	Langseth	Peterson, C.C.	Spear	

So the bill passed and its title was agreed to.

H. F. No. 462: A bill for an act relating to commerce; requiring invoices on certain repairs; amending Minnesota Statutes 1980, Sections 325F.60; and 325F.64.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Dicklich	Langseth	Peterson, C. C.	Spear
Bang	Dieterich	Lantry	Peterson, D. L.	Stern
Belanger	Engler	Lessard	Peterson, R. W.	Stokowski
Benson	Frank	Lindgren	Petty	Stumpf
Berg	Frederick	Luther	Pillsbury	Taylor
Berglin	Frederickson	Menning	Purfeerst	Tennessee
Bernhagen	Hanson	Merriam	Ramstad	Ulland
Bertram	Humphrey	Moe, D. M.	Renneke	Vega
Brataas	Johnson	Moe, R. D.	Rued	Waldorf
Chmielewski	Knoll	Nelson	Schmitz	Wegener
Dahl	Knutson	Olhoft	Setzepfandt	Willet
Davies	Kroening	Pehler	Sikorski	
Davis	Kronebusch	Penny	Solon	

So the bill passed and its title was agreed to.

H. F. No. 509: A bill for an act relating to commerce; requiring disclosure in motor vehicle transactions; proposing new law coded in Minnesota Statutes, Chapter 168.

With the unanimous consent of the Senate, Mr. Petty moved to amend H. F. No. 509, the unofficial engrossment, as follows:

Page 2, line 3, before the period, insert "*prior to the purchaser taking possession of the motor vehicle*"

The motion prevailed. So the amendment was adopted.

H. F. No. 509 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Dicklich	Langseth	Peterson, C. C.	Spear
Bang	Dieterich	Lantry	Peterson, D. L.	Stern
Belanger	Engler	Lessard	Peterson, R. W.	Stokowski
Benson	Frank	Lindgren	Petty	Stumpf
Berg	Frederick	Luther	Pillsbury	Taylor
Berglin	Frederickson	Menning	Purfeerst	Tennessee
Bernhagen	Hanson	Merriam	Ramstad	Ulland
Bertram	Humphrey	Moe, D. M.	Renneke	Vega
Brataas	Johnson	Moe, R. D.	Rued	Waldorf
Chmielewski	Knoll	Nelson	Schmitz	Wegener
Dahl	Knutson	Olhoft	Setzepfandt	Willet
Davies	Kroening	Pehler	Sikorski	
Davis	Kronebusch	Penny	Solon	

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

H. F. No. 121: A bill for an act relating to intoxicating liquor; authorizing the sale and dispensing of liquor at the I.R.A. arena in Grand Rapids.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 55 and nays 7, as follows:

Those who voted in the affirmative were:

Bang	Dieterich	Kronebusch	Peterson, D. L.	Spear
Belanger	Engler	Langseth	Peterson, R. W.	Stern
Benson	Frank	Lantry	Petty	Stokowski
Berg	Frederick	Lessard	Pillsbury	Stumpf
Berglin	Frederickson	Lindgren	Purfeerst	Taylor
Bernhagen	Hanson	Luther	Ramstad	Tennessee
Bertram	Humphrey	Merriam	Rued	Ulland
Brataas	Johnson	Moe, D. M.	Schmitz	Vega
Dahl	Knoll	Moe, R. D.	Setzepfandt	Waldorf
Davis	Knutson	Nelson	Sikorski	Wegener
Dicklich	Kroening	Penny	Solon	Willet

Those who voted in the negative were:

Chmielewski	Menning	Pehler	Peterson, C. C.	Renneke
Davies	Olhoft			

So the bill passed and its title was agreed to.

S. F. No. 1087: A bill for an act relating to insurance; providing for the examination of certain insurers; requiring certain reports and providing certain alternatives to examinations; authorizing the commissioner to promulgate rules; broadening the commissioner's power to revoke or suspend certificates of authority; expanding certain insurers' investment authority; allowing the commissioner to regulate an insurer's ratio of qualified assets to required liabilities; broadening the coverage of the financial statement requirement; providing for annual audits; providing standards for the investment of assets of insurance companies; allowing the use of certain depositories and systems; providing certain limitations on the acquisition of specified investments and holdings; providing for miscellaneous changes and clarifications; amending Minnesota Statutes 1980, Sections 60A.031, Subdivisions 1, 3, 4, 5, and by adding subdivisions; 60A.05; 60A.11, by adding subdivisions; 60A.13, Subdivisions 1 and 6, and by adding subdivisions; 61A.28, Subdivisions 2, 3, and 6; 61A.282; 61A.29, Subdivision 2; 61A.30; 61A.31, Subdivisions 1 and 3; proposing new law coded in Minnesota Statutes, Chapters 60A and 61A; repealing Minnesota Statutes 1980, Sections 60A.031, Subdivision 2; and 60A.11, Subdivisions 2 to 8.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 1, as follows:

Those who voted in the affirmative were:

Ashbach	Dicklich	Lessard	Peterson, R. W.	Stokowski
Bang	Dieterich	Lindgren	Petty	Stumpf
Belanger	Engler	Luther	Pillsbury	Taylor
Benson	Frank	Menning	Purfeerst	Tennessee
Berg	Frederick	Merriam	Ramstad	Ulland
Berglin	Frederickson	Moe, D. M.	Renneke	Vega
Bernhagen	Hanson	Moe, R. D.	Rued	Waldorf
Bertram	Humphrey	Nelson	Schmitz	Wegener
Brataas	Johnson	Olhoft	Setzepfandt	Willet
Chmielewski	Knutson	Pehler	Sikorski	
Dahl	Kronebusch	Penny	Solon	
Davies	Langseth	Peterson, C. C.	Spear	
Davis	Lantry	Peterson, D. L.	Stern	

Mr. Kroening voted in the negative.

So the bill passed and its title was agreed to.

RECONSIDERATION

Mr. Peterson, C.C. moved that the vote whereby H. F. No. 63 was passed by the Senate on April 30, 1981, be now reconsidered. The motion prevailed.

H. F. No. 63: A bill for an act relating to health maintenance organizations; eliminating any requirements that certain health maintenance organizations provide elective, induced abortions; amending Minnesota Statutes 1980, Sections 62D.02, Subdivision 7; 62D.20; and 62D.22, Subdivision 5.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 48 and nays 14, as follows:

Those who voted in the affirmative were:

Belanger	Frederick	Lantry	Peterson, C.C.	Stokowski
Benson	Frederickson	Lessard	Peterson, D.L.	Stumpf
Berg	Hanson	Lindgren	Purfeerst	Taylor
Bernhagen	Humphrey	Luther	Ramstad	Ulland
Bertram	Johnson	Menning	Renneke	Vega
Chmielewski	Knoll	Merriam	Rued	Waldorf
Dahl	Knutson	Moe, R. D.	Schmitz	Wegener
Davis	Kroening	Olhoft	Setzepfandt	Willet
Engler	Kronebusch	Pehler	Sikorski	
Frank	Langseth	Penny	Solon	

Those who voted in the negative were:

Bang	Davies	Moe, D. M.	Petty	Stern
Berglin	Dicklich	Nelson	Pillsbury	Tennessen
Brataas	Dieterich	Peterson, R.W.	Spear	

So the bill passed and its title was agreed to.

RECONSIDERATION

Mr. Moe, R.D. moved that the vote whereby S. F. No. 1164 failed to pass the Senate on April 28, 1981, be now reconsidered.

S. F. No. 1164: A bill for an act relating to crimes; providing for review of sentences imposed prior to adoption of sentencing guidelines; proposing new law coded in Minnesota Statutes, Chapter 244.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 38 and nays 21, as follows:

Those who voted in the affirmative were:

Berglin	Humphrey	Merriam	Purfeerst	Stumpf
Dahl	Johnson	Moe, D. M.	Schmitz	Tennessen
Davies	Knoll	Moe, R. D.	Setzepfandt	Vega
Davis	Knutson	Nelson	Sikorski	Waldorf
Dicklich	Langseth	Penny	Solon	Wegener
Dieterich	Lantry	Peterson, R.W.	Spear	Willet
Frank	Lessard	Petty	Stern	
Hanson	Luther	Pillsbury	Stokowski	

Those who voted in the negative were:

Bang	Bertram	Kronebüsch	Peterson, D.L.	Ulland
Belanger	Engler	Lindgren	Ramstad	
Benson	Frederickson	Menning	Renneke	
Berg	Keefe	Olhoft	Rued	
Bernhagen	Kroening	Pehler	Taylor	

The motion prevailed.

Mr. Spear moved that S. F. No. 1164 be laid on the table. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Willet moved that H. F. No. 1443 be taken from the table. The motion prevailed.

SUSPENSION OF RULES

Mr. Willet moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H. F. No. 1443 and that the rules of the Senate be so far suspended as to give H. F. No. 1443 its second and third reading and place it on its final passage. The motion prevailed.

H. F. No. 1443: A bill for an act relating to the organization and operation of state government; appropriating money for the general legislative, judicial, and administrative expenses of state government with certain conditions; providing for the transfer of certain moneys in the state treasury; authorizing land acquisition in certain cases; fixing and limiting the amount of fees to be collected in certain cases; creating a department of planning, energy and development; transferring all the functions of the state planning agency, energy agency, and department of economic development, and the staff of the crime control planning board, to the department of planning, energy and development; abolishing the state planning agency, energy agency, and department of economic development; creating an advisory committee on energy policy development; amending Minnesota Statutes 1980, Sections 3.3005, Subdivision 3; 3.304, by adding a subdivision; 3.922, Subdivision 1; 4.10; 4.11, Subdivisions 4, 5 and 8; 4.12; 4.125; 4.13; 4.17; 4.18, Subdivision 2; 4.191; 4.26, Subdivision 1; 4.27; 4.29; 4.35; 4.36, Subdivisions 2, 3, 4, and 5; 9.061, Subdivision 5; 15.01; 15.057; 15.50, Subdivision 2; 15A.081, Subdivision 1; 16.014, Subdivision 1; 16.084; 16.086, Subdivisions 1 and 2; 16.125, Subdivision 2; 16.756, Subdivision 1; 18.023, Subdivision 11; 18.024, Subdivision 1; 16.97, Subdivision 3; 16A.123; 17B.15; 18.51, Subdivision 2; 18.52, Subdivision 5; 18.54, Subdivision 1; 19.19, Subdivisions 1 and 2; 19.20, Subdivision 4; 40.071; 43.09, Subdivision 2a; 84.028, Subdivision 2; 84.54; 85.016; 85.017; 86.72, Subdivision 3; 86A.06; 86A.09, Subdivisions 1, 2, 3, and 4; 89.43; 92.35; 92.36; 92.37; 104.03, Subdivision 1; 104.35, Subdivisions 2 and 3; 105.484; 105.485, Subdivision 3; 114A.03, Subdivision 1; 115A.07, Subdivision 1; 115A.12, Subdivision 2; 115A.15, Subdivision 5; 116C.03, Subdivisions 2, 3, and 4; 116C.69, Subdivisions 2, 2a and 3; 116H.05; 116H.06; 116H.07; 116H.08; 116H.085; 116H.087; 116H.088, Subdivision 1; 116H.089; 116H.09, Subdivisions 1, 4, and 5; 116H.10; 116H.11; 116H.12, Subdivisions 1, 1b, 2, 4, 5, 6, and 9; 116H.121, Subdivisions 1 and 2; 116H.122; 116H.123; 116H.124; 116H.126; 116H.127;

116H.128; 116H.129, Subdivisions 1, 4, 5, 6, and 8; 116H.13; 116H.14; 116H.15, Subdivision 2; 116H.17; 116H.18; 116H.19, Subdivision 1; 116H.23; 120.78, Subdivision 1; 124.225, Subdivision 4a; 126.111, Subdivision 2; 137.31, Subdivision 6; 138.93, Subdivision 4; 139.17, Subdivision 1 and by adding a subdivision; 139.18, Subdivisions 1, 3 and 4; 139.19, Subdivisions 3, 4, 5 and 6; 145.834; 145.835, Subdivision 1; 145.836, Subdivision 1; 145.837, Subdivision 1; 145.845; 145.912, Subdivision 15; 160.262, Subdivisions 1 and 3; 160.265, Subdivision 1; 174.03, Subdivision 7; 176.183, Subdivision 2; 204A.06, Subdivision 1b; 216B.241, Subdivision 2; 222.62; 222.65; 223.03; 231.16; 232.02, Subdivisions 1, 2, and 3; 233.08; 245.783, Subdivision 2; 268.014; 273.74, Subdivisions 2 and 5; 275.53, Subdivisions 1, 3, and 4; 290.06, Subdivision 14; 290.431; 298.48, Subdivision 4; 299A.03, Subdivision 5; 299A.04; 301.75; 301.77, Subdivision 1; 301A.01, Subdivision 1; 301A.05; 301A.07, Subdivision 1; 322A.16; 322A.71; 325F.19, Subdivisions 3 and 6; 325F.20, Subdivision 1; 325F.21, Subdivision 2; 325F.23, Subdivision 1; 325F.24, Subdivision 3a; 336.9-403; 336.9-404; 336.9-405; 336.9-406; 336.9-407; 345.53; 354.43, Subdivision 3; 355.06; 362.12, Subdivision 1; 362.13; 362.132; 362.40, Subdivisions 8, 9, and 10; 362.41, Subdivision 5; 362.42; 362.51, Subdivisions 8 and 10; 362A.06; 402.045; 402.062, Subdivision 1; 402.095; 451.09, Subdivision 2; 453.52, Subdivision 3; 462.375; 462.384, Subdivision 7; 462.385, Subdivisions 1 and 3; 462.386, Subdivision 1; 462.387; 462.39, Subdivisions 2 and 3; 462.391, Subdivisions 2, 3, and 4; 462.395; 462.396, Subdivision 1; 462.398; 462.421, Subdivision 21; 462A.05, Subdivision 15b; 473.204, Subdivision 2; 473.411, Subdivision 1; 473.857, Subdivision 2; 473H.06, Subdivision 5; 474.01, Subdivisions 6, 7, and 8; 480.0595; 641.24; and 648.39; proposing new law coded as Minnesota Statutes, Chapter 116J; proposing new law coded in Minnesota Statutes, Chapters 116H and 299A; Laws 1976, Chapter 337, Section 1, Subdivisions 2, as amended, 3, and 4, as amended; Laws 1978, Chapter 510, Sections 2 and 5; repealing Minnesota Statutes 1980, Sections 3.351; 4.11, Subdivisions 1, 2, 3, 6, and 7; 4.15; 4.16; 16.014, Subdivision 3; 116H.001; 116H.02, Subdivisions 2 and 4; 116H.03; 116H.09, Subdivisions 2 and 3; 116H.12, Subdivision 3b; 116H.124, Subdivision 1; 116H.126, Subdivision 1; 126.52, Subdivision 12; 254A.06; 299A.03, Subdivisions 12, 13, and 14; 362.07; 362.08; 362.09; 362.10; 362.11; 362.12, Subdivisions 2 and 3; 362.15; 362.17; 362.18; 362.19; 362.23; 462.711; 473.571, Subdivisions 2, 3, and 4; 648.45; 648.46; Laws 1976, Chapter 337, Section 4, as amended; and Laws 1978, Chapter 510, Section 10.

H. F. No. 1443 was read the second time.

Mr. Luther moved to amend H. F. No. 1443 as follows:

Delete the language after the enacting clause of H. F. No. 1443 and insert the language after the enacting clause of S. F. No. 1390 as introduced; further, delete the title of H. F. No. 1443 and insert the title of S. F. No. 1390 as introduced. The motion prevailed.

Mr. Luther then moved to amend H. F. No. 1443, as amended by the Senate, April 30, 1981, as follows:

(The text of the amended House file is identical to S. F. No. 1390.)

Page 9, line 38, delete "\$85,400)" and insert "\$128,000)"

Correct the agency total accordingly

Page 11, line 30, delete “(\$200,000) (\$300,000)” and insert “(\$330,600) (\$360,300)”

Correct the agency total accordingly

Page 29, line 40, delete “622,100” and insert “41,300 (1,823,900)”

Page 29, after line 40, insert:

“General Support
\$622,100”

Page 30, after line 19, insert:

“General Reduction
(\$580,800) (\$554,000)

The amounts appropriated for the several programs and activities in subdivisions 2 to 5 for each year shall be reduced by the commissioner of planning, energy, and development by the amount of the general reduction for each year so that the total appropriated for all programs and activities in subdivisions 2 to 5 each year does not exceed the amount appropriated in subdivision 1 for general operations and management for that year.”

Correct the agency totals accordingly

Correct the summary by fund accordingly

The motion prevailed. So the amendment was adopted.

Mr. Engler moved to amend H. F. No. 1443, as amended by the Senate April 30, 1981, as follows:

(The text of the amended House File is identical to S. F. No. 1390.)

Page 25, line 21, delete “\$10,844,000” and “\$8,948,000” and insert “\$10,969,000” and “\$9,075,000”

Page 25, line 22, delete “185.5” and insert “189.5”

Page 25, line 23, delete “158” and insert “162”

Page 27, line 35, delete “\$2,160,000” and “\$2,060,000” and insert “\$2,285,000” and “\$2,187,000”

Page 27, after line 44, insert:

“\$125,000 the first year and \$127,000 the second year is for the expansion and promotion of international trade.”

Page 160, line 27, strike the period and insert a semicolon

Page 160, after line 27, insert:

“(16) *Promote and encourage the expansion and development of international trade.*”

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

Mr. Ramstad moved to amend H. F. No. 1443, as amended by the Senate

April 30, 1981, as follows:

(The text of the amended House File is identical to S. F. No. 1390.)

Page 10, line 23, delete "10,819,600" and insert "10,248,000"

Page 10, line 23, delete "11,708,200" and insert "11,168,000"

Page 11, line 30, delete "(\$200,000)" and insert "(\$771,000)"

Page 11, line 30, delete "(\$300,000)" and insert "(\$840,200)"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 20 and nays 40, as follows:

Those who voted in the affirmative were:

Ashbach	Bernhagen	Frederickson	Lindgren	Renneke
Belanger	Brataas	Keefe	Peterson, D.L.	Rued
Benson	Engler	Knutson	Pillsbury	Taylor
Berg	Frederick	Kronebusch	Ramstad	Ulland

Those who voted in the negative were:

Berglin	Frank	Lessard	Pehler	Solon
Bertram	Hanson	Luther	Penny	Stokowski
Chmielewski	Humphrey	Menning	Peterson, C.C.	Stumpf
Dahl	Johnson	Merriam	Peterson, R.W.	Tennessen
Davies	Knoll	Moe, D. M.	Petty	Vega
Davis	Kroening	Moe, R. D.	Purfeerst	Waldorf
Dicklich	Langseth	Nelson	Schmitz	Wegener
Dieterich	Lantry	Olhoft	Setzepfandt	Willet

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

H. F. No. 1443 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 56 and nays 7, as follows:

Those who voted in the affirmative were:

Ashbach	Dicklich	Kroening	Penny	Stumpf
Bang	Dieterich	Langseth	Peterson, C.C.	Taylor
Belanger	Engler	Lantry	Peterson, R.W.	Tennessen
Berg	Frank	Lessard	Petty	Ulland
Berglin	Frederick	Luther	Purfeerst	Vega
Bernhagen	Frederickson	Menning	Renneke	Waldorf
Bertram	Hanson	Merriam	Schmitz	Wegener
Brataas	Humphrey	Moe, D. M.	Setzepfandt	Willet
Chmielewski	Johnson	Moe, R. D.	Solon	
Dahl	Keefe	Nelson	Spear	
Davies	Knoll	Olhoft	Stern	
Davis	Knutson	Pehler	Stokowski	

Those who voted in the negative were:

Benson	Lindgren	Pillsbury	Ramstad	Rued
Kronebusch	Peterson, D.L.			

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

Mr. Willet moved that S. F. No. 1390 be stricken from General Orders and laid on the table. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe,

R.D. moved to take up the General Orders Calendar. The motion prevailed.

GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Peterson, C.C. in the chair.

After some time spent therein, the committee arose, and Mr. Peterson, C.C. reported that the committee had considered the following:

S. F. No. 847, which the committee recommends be returned to the Committee on Elections and Reapportionment.

S. F. No. 767, which the committee recommends to pass with the following amendment offered by Mr. Dicklich:

Page 1, line 11, before "*summary*" insert "*detailed*"

The motion prevailed. So the amendment was adopted.

S. F. No. 1005, which the committee recommends to pass with the following amendment offered by Mrs. Brataas:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1980, Section 462C.05, Subdivision 1, is amended to read:

Subdivision 1. A city may also plan, administer, and make or purchase a loan or loans to finance one or more multifamily housing developments within its boundaries, of the kind described in subdivision 2, 3, ~~or 4~~ or 7, and upon the conditions set forth in this section. A loan may be made or purchased for the acquisition and preparation of a site and the construction of a new development, or for the acquisition of an existing building and site and the rehabilitation thereof, provided that:

(a) The cost of rehabilitation of an existing building is estimated to equal at least \$5,000 per dwelling unit or 50 percent of the appraised value of the original building and site, whichever is less or if the rehabilitation is financed in part by proceeds from a program provided by the federal government pursuant to 24 C.F.R. Sections 882.401 to 882.519 or pursuant to section 312 of the Housing Act of 1964 (42 U.S.C. Section 1452b), the cost of rehabilitation of an existing building is estimated to equal at least \$2,000 per dwelling unit or 20 percent of the appraised value of the original building and site whichever is less;

(b) At least a substantial portion of such rehabilitation cost is estimated to be incurred for compliance with building codes or conservation of energy;

(c) Each development upon completion shall comply with all applicable code requirements;

(d) A loan or loans may be made or purchased for either the construction or the long term financing of a development, or both, including the financing of the acquisition of dwelling units and interests in common facilities provided therein, by persons to whom such units and facilities may be sold as contemplated in chapter 515 or any supplemental or amendatory law thereof; and

(e) Substantially all of the proceeds of each loan shall be used to pay the cost

of a multifamily housing development, including property functionally related and subordinate to it; but nothing herein prevents the construction of the development over, under, or adjacent to, and in conjunction with facilities to be used for purposes other than housing.

Sec. 2. Minnesota Statutes 1980, Section 462C.05 is amended by adding a subdivision to read:

Subd. 7. A development may consist of a combination of a multifamily housing development and a new or existing health care facility, as defined by section 474.02, if the following conditions are satisfied:

(a) The multifamily housing development is designed and intended to be used for rental occupancy;

(b) The multifamily housing development is designed and intended to be used primarily by elderly or physically handicapped persons; and

(c) Nursing, medical, personal care, and other health related assisted living services are available in the development to the residents.

The limitations of section 462C.04, subdivision 2, clause (c), shall not apply to projects defined in this subdivision and approved by the Minnesota housing finance agency before July 1, 1983. The limitations of section 462C.07, subdivision 2, shall not apply to bonds issued for projects defined in this subdivision.

The Minnesota housing finance agency shall provide, in the annual report required by section 462C.04, subdivision 2, information on the costs incurred for the issuance of bonds for projects defined in this subdivision. The report shall also include the Minnesota housing finance agency's recommendations for the regulation of costs of issuance for future issues."

Delete the title and insert:

"A bill for an act relating to local housing programs; authorizing certain combined multifamily housing and health care facility developments; providing an exemption from the limits on aggregate amount of bonds that may be issued; amending Minnesota Statutes 1980, Section 462C.05, Subdivision 1, and by adding a subdivision."

The motion prevailed. So the amendment was adopted.

H. F. No. 588, which the committee recommends to pass, subject to the following motion:

Mr. Stern moved that the amendment made to H.F. No. 588 by the Committee on Rules and Administration in the report adopted April 28, 1981, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

S. F. No. 804, which the committee recommends to pass with the following amendments offered by Mr. Willet:

Mr. Willet moved to amend S. F. No. 804 as follows:

Page 7, line 18, delete "(36,000)" and insert "36,000"

Page 7, line 20, delete "(36,000)" and insert "36,000"

Page 11, line 33, after "any" insert "axle or group of consecutive axles of any"

Page 15, line 23, after "production" insert "*or on farm storage site to any other location within 50 miles of the place of production or on farm storage site.*"

Page 15, line 23, delete "to any"

Page 15, delete lines 24 to 27

Page 18, line 25, after the period, insert "*A peace officer who cites a driver for a violation of the weight limitations established by sections 169.81 to 169.87 shall give written notice to the driver that he or another may also be liable for the civil penalties provided herein in the same or separate proceedings.*"

Page 18, line 30, after the period, insert "*Trials to the court under this section shall, if possible, be conducted at the same time as pre-trial motions or trials in the criminal prosecution under sections 169.81 to 169.87, if any, subject to the agreement of the defendant.*"

Page 18, line 36, after "I" insert "*unless there is agreement that the action may be tried in another county or municipality*"

Page 19, line 26, after "representative" insert "*or a peace officer as defined in section 626.84, subdivision 1, clause (c), except state conservation officers,*"

The motion prevailed. So the amendment was adopted.

Mr. Willet then moved to amend S.F. No. 804 as follows:

Page 10, line 32, delete the period and insert a semicolon

Page 10, after line 32, insert:

"(e) The maximum weights specified in this subdivision for five consecutive axles shall not apply to a four axle ready mix concrete truck which was equipped with a fifth axle prior to June 1, 1981. The maximum gross weight on four or fewer consecutive axles of vehicles excepted by this clause shall not exceed any maximum weight specified for four or fewer consecutive axles in this subdivision."

Page 12, line 23, after "any" insert "farm"

Page 12, line 23, delete "weighing not more than"

Page 12, delete lines 24 and 25 and insert "*registered prior to July 1, 1981, under section 168.013, subdivision 1c, for 57,000 pounds or less or to any rear-loading refuse compactor vehicle.*"

The motion prevailed. So the amendment was adopted.

Mr. Willet then moved to amend S.F. No. 804 as follows:

Page 20, line 8, strike "and" and insert a comma

Page 20, line 9, after "maintain" insert "*, or open for inspection and copying, those*"

Page 20, line 13, after the period, insert "*A person who does not accurately record the information required to be contained in those documents required in subdivision 1 is guilty of a misdemeanor.*"

The motion prevailed. So the amendment was adopted.

On motion of Mr. Peterson C.C., the report of the Committee of the Whole, as kept by the Secretary, was adopted.

Without objection, the Senate reverted to the Order of Business of Reports of Committees.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Willet from the Committee on Finance, to which was re-referred

S. F. No. 301: A bill for an act relating to education; changing a reference to the provisions governing the student loan program; including parents within the definition of eligible student for guaranteed student loan purposes; requiring the higher education coordinating board to receive approval prior to implementing a parent loan program; increasing the bonding authority of the higher education coordinating board; expanding the career guidance program; providing exclusive property rights in certain records; providing for development of procedures by the higher education coordinating board and the state board for vocational education; amending Minnesota Statutes 1980, Sections 136A.141; 136A.15, Subdivision 7; 136A.16, Subdivisions 3 and 4, and by adding a subdivision; 136A.17, Subdivisions 1, 4, and 10; 136A.171; 136A.85; 136A.86, Subdivisions 2, 3, and by adding a subdivision.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Tennesen from the Committee on Commerce, to which was referred

S. F. No. 953: A bill for an act relating to financial institutions; savings associations; increasing the loan term of direct reduction loans; providing for the organization, operation, conversion, merger, reorganization, consolidation, and dissolution of mutual and capital stock associations; authorizing the establishment of savings and loan holding companies; granting the commissioner certain supervisory powers; providing certain examination and reporting requirements; authorizing the issuance and sale of capital certificates; authorizing the payment of dividends on capital stock; authorizing the issuance of certain accounts to married persons or minors as sole owners thereof; allowing certain foreign associations to do business in the state; prescribing duties; providing examinations and supervision; defining terms; prescribing penalties; amending Minnesota Statutes 1980, Sections 51A.02, Subdivisions 2 and 4, and by adding subdivisions; 51A.03; 51A.04; 51A.07; 51A.08; 51A.09; 51A.10; 51A.11; 51A.12; 51A.13; 51A.15, Subdivision 7; 51A.19, Subdivision 1, and by adding subdivisions; 51A.20; 51A.21, Subdivision 5, and by adding subdivisions; 51A.22; 51A.43; 51A.44; 51A.45; 51A.50; 51A.52; 51A.53; proposing new law coded in Minnesota Statutes, Chapter 51A; repealing Minnesota Statutes 1980, Sections 51A.06; and 51A.49.

Reports the same back with the recommendation that the bill be amended as follows:

Page 14, line 11, delete "COMPENSATION OF DIRECTORS" and insert "DIRECTORS' FEES"

Page 14, line 12, delete "compensation" and insert "fees"

Page 14, line 13, delete "*compensation*" and insert "*fees*"

Page 16, line 24, delete everything after the period

Page 16, delete lines 25 to 27

Page 18, line 4, strike everything after the period

Page 18, lines 5 and 6, strike the old language before the period and delete the new language and insert "*Any hearing required by this section shall be conducted by the commerce commission in accordance with the provisions of the administrative procedure act, sections 15.0411 to 15.052, governing contested cases, including the provisions of the act relating to judicial review of agency decisions*"

Page 20, line 24, after "*CAPITAL REQUIRED*" delete "*IN COMMUNITIES OF VARIOUS*"

Page 20, line 25, delete "*SIZES*"

Page 20, line 30, delete "*paragraph (b)*" and insert "*subdivision 2*"

Page 21, line 5, delete "*, labor, or services actually performed,*" and insert "*or authorized securities*"

Page 21, line 9, delete everything after "*be*"

Page 21, delete lines 10 to 14

Page 21, line 15, delete "*the latest available federal census*" and insert "*not less than \$500,000, provided the commissioner may, in his discretion, require a larger amount to be paid in. No portion of the capital stock shall be withdrawn by any person or in any way, either in dividends or otherwise, except as provided by law. No dividend on capital stock shall be made except as provided in section 51A.21, subdivision 21*"

Page 21, line 18, delete "*CAPITAL*" and insert "*PAID-IN*" and after "*SURPLUS*" insert "*AND EXPENSE FUND*"

Page 21, delete lines 19 to 25 and insert "*addition to the required capital stock the incorporators shall pay an additional amount as the commissioner shall determine which shall constitute minimum paid-in surplus. This paid-in surplus shall in no event be less than 25 percent of the amount of required capital stock. Furthermore, there shall be established an expense fund in an amount determined by the commissioner to be adequate to meet the expense of organizing the association and its operating expenses until the time its net income is sufficient.*"

Page 21, line 27, delete "*board*" and insert "*commerce commission*" and delete "*petition*" and insert "*application*"

Page 25, line 13, after the period, insert "*In addition to any notice of annual or special meeting required by this act and*"

Page 26, line 6, delete everything after "*shall*"

Page 26, delete line 7 and insert "*receive without payment nontransferable rights for a period of at least 20 days to purchase a proportionate share of voting capital stock*"

Page 26, line 10, after "*others,*" insert "*provided the offering shall be sold*"

in a public offering through an underwriter or if directly by the converting association in a direct community marketing program as provided for in the plan for conversion approved by the commissioner or other responsible authority,"

Page 27, delete lines 9 to 12

Page 27, line 13, delete "(h)" and insert "(g)"

Page 27, line 15, delete "(i)" and insert "(h)" and after "other" insert "provisions, requirements or"

Page 27, line 16, delete "required by" and insert "acceptable to"

Page 29, line 20, delete "TO BANKING DIVISION"

Page 29, line 22, delete everything after "therefrom"

Page 29, delete line 23 and insert "and the proceedings shall be conducted pursuant to the provisions of the administrative procedure act relating to judicial review of agency decisions, sections 15.0424 to 15.0426, and the scope of judicial review in the proceedings shall be as provided therein."

Page 30, line 16, strike everything after "therefrom"

Page 30, line 17, strike everything before the period and insert "and the proceedings shall be conducted pursuant to the provisions of the administrative procedure act relating to judicial review of agency decisions, sections 15.0424 to 15.0426, and the scope of judicial review in the proceedings shall be as provided therein"

Pages 30 to 37, delete section 11

Page 44, line 13, delete "120" and insert "30"

Page 44, line 25, reinstate the old language and delete the new language

Page 44, line 31, after "DIRECTORS" insert "OF MUTUAL ASSOCIATIONS"

Page 45, after line 19, insert:

"Subd. 2a. [QUALIFICATIONS REQUIRED OF DIRECTORS OF STOCK ASSOCIATIONS.] In order to qualify as a director of a capital stock association each director shall own and hold shares of voting capital stock of the association unencumbered with a par or stated value of not less than \$500, provided that, if the total assets of the association exceed \$5,000,000, a director must own and hold shares of not less than \$1,000. Except with the written consent of the commissioner, no person shall be eligible for election or shall serve as director or officer of an association who has been adjudicated a bankrupt or convicted of a criminal offense involving dishonesty or a breach of trust. A director shall automatically cease to be a director when he is adjudicated a bankrupt or is convicted of a criminal offense as herein provided or when the par or stated value of the shares of voting capital stock of the association held by him aggregates less than the minimum required to be eligible for election as a director."

Page 47, delete lines 12 to 19 and insert:

"Subd. 11. [MAINTENANCE OF STOCKHOLDER RECORDS; RE-

PORT TO COMMISSIONER.] Every capital stock association shall at all times keep an accurate verified list of all its stockholders with the amount of stock held by each, the type of stock, voting status, the dates of all issuances and transfers, and names of transferees, and shall annually file a copy of the list as it appears on the date of the annual stockholders meeting with the commissioner. A capital stock association has the power to employ the services of a transfer agent to maintain stockholder records and perform stock transfer services. Whenever a change occurs in the outstanding voting stock of any capital stock association which will result in control or in a change in the control of the association it shall promptly report the facts to the commissioner of banks. As used in this subdivision the term "control" means the power to directly or indirectly direct or cause the direction of the management or policies of the association. A change in ownership of capital stock which would result in direct or indirect ownership by a stockholder or an affiliated group of stockholders of less than 25 percent of the outstanding capital stock shall not be considered a change of control. If there is any doubt as to whether a change in the outstanding voting stock is sufficient to result in control thereof or to effect a change in control thereof, the doubt shall be resolved in favor of reporting the facts to the commissioner."

Page 48, line 9, before "Every" insert "Subdivision 1. [MUTUAL ASSOCIATIONS.]"

Page 49, after line 9, insert:

"Subd. 2. [CAPITAL STOCK ASSOCIATIONS.] At the end of each dividend period, after deducting all necessary expenses and losses, all of the remaining net profits for the period shall be set aside as surplus fund provided the surplus fund of the association is not equal to at least 25 percent of outstanding capital stock. If the surplus fund is equal to or exceeds 25 percent of outstanding capital stock, ten percent of the remaining net profits for the period shall be set aside as a surplus fund until it equals 50 percent of the capital stock. The directors may then declare a dividend of so much of the remainder as they may deem expedient, subject to the commissioner's approval."

Page 51, line 5, before "The" insert "Subdivision 1. [OPERATION OF SAVINGS LIABILITY.]" and strike "is not limited, but"

Page 51, after line 33, insert:

"Subd. 2. [AMOUNT OF SAVINGS LIABILITY.] The savings liability of a mutual association is not limited. The savings liability of a stock association shall not exceed a sum which is 30 times the amount of its capital stock and its actual surplus. For purposes of this subdivision capital certificates outstanding pursuant to section 51A.21, subdivision 20, may be included in the definition of capital stock."

Pages 52 to 60, delete sections 30 to 33

Page 62, line 1, after "51A.06" insert "Subdivisions 1 and 2"

Page 62, line 4, delete "37" and insert "32"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, delete everything after the semicolon

Page 1, line 8, delete everything before "granting"

Page 1, line 15, delete everything after the semicolon

Page 1, delete line 16

Page 1, line 17, delete everything before "defining"

Page 1, line 24, delete everything after the second semicolon

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Hughes from the Committee on Education, to which was referred

S. F. No. 150: A bill for an act relating to education; requiring school boards to hold public hearings for all mill rate increases in the discretionary levy; amending Minnesota Statutes 1980, Section 275.125, Subdivision 7a.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE I

FOUNDATION AID

Section 1. Minnesota Statutes 1980, Section 124.01, Subdivision 2, is amended to read:

Subd. 2. [FORMULA ALLOWANCE.] "Foundation aid formula allowance" or "formula allowance" means the amount of revenue per pupil unit specified for use in the computation of foundation aid for a particular school year pursuant to section 124.212 and in the computation of permissible levies for use in that school year. ~~For foundation aid for the 1979-1980 school year, the formula allowance shall be \$1,182. For 1979 payable 1980 levies and for foundation aid for the 1980-1981 school year, the formula allowance shall be \$1,265. For 1980 payable 1981 levies and for foundation aid for the 1981-1982 school year, the formula allowance shall be \$1,354 \$1,310. For 1981 payable 1982 levies and for foundation aid for the 1982-1983 school year, the formula allowance shall be \$1,348.~~

Sec. 2. Minnesota Statutes 1980, Section 124.01, Subdivision 3, is amended to read:

Subd. 3. [BASIC MAINTENANCE MILL RATE.] "Basic maintenance mill rate" means the maximum permissible mill rate applicable to the adjusted assessed valuation of a district, specified for use in the computation of foundation aid for a particular school year pursuant to section 124.212 and of permissible levies for use in that school year pursuant to section 275.125, subdivision 2a, clause (1) or (2). ~~For 1979 payable 1980 levies and for foundation aid for the 1980-1981 school year, the basic maintenance mill rate shall be .023. For 1980 payable 1981 levies and for foundation aid for the 1981-1982 school year, the basic maintenance mill rate shall be .021. For 1981 payable 1982 levies and for foundation aid for the 1982-1983 school year, the basic maintenance mill rate shall be .021.~~

Sec. 3. Minnesota Statutes 1980, Section 124.01, Subdivision 4, is

amended to read:

Subd. 4. [EQUALIZING FACTOR.] "Equalizing factor" means the ratio of the formula allowance for a particular school year to the basic maintenance mill rate for that school year. ~~For 1979 payable 1980 levies and for foundation aid for the 1980-1981 school year, the equalizing factor shall be \$55,000. For 1980 payable 1981 levies and for foundation aid for the 1981-1982 school year, the equalizing factor shall be \$64,476.~~

Sec. 4. Minnesota Statutes 1980, Section 124.01, is amended by adding a subdivision to read:

Subd. 5. [DISCRETIONARY ALLOWANCE.] *The discretionary allowance for each year is the quotient of the foundation formula amount divided by the basic maintenance mill rate for the same year multiplied by the discretionary levy mill rate for that year.*

Sec. 5. Minnesota Statutes 1980, Section 124.11, Subdivision 1, is amended to read:

Subdivision 1. Except as may be otherwise authorized by the commissioner to accommodate a flexible school year program and except as provided in subdivision 5, *for fiscal years through 1982*, ten percent of the estimated elementary and secondary foundation aids shall be paid to districts in each of the months other than October from August through May based upon information available and the final distribution shall be made in October of the following school year.

Sec. 6. Minnesota Statutes 1980, Section 124.11, is amended by adding a subdivision to read:

Subd. 1a. [PAYMENT SCHEDULE.] *Except as may be otherwise authorized by the commissioner to accommodate a flexible school year program and except as provided in subdivision 5, starting in fiscal year 1983, based upon information available, ten percent of the estimated elementary and secondary foundation aids shall be paid to districts in each month from August through April, except October, and five percent shall be paid in May. The final distribution shall be made in October of the following fiscal year.*

Sec. 7. Minnesota Statutes 1980, Section 124.17, is amended by adding a subdivision to read:

Subd. 2d. [SUMMER SCHOOL.] *Beginning in the 1982-1983 school year, in summer school or inter-session classes of flexible school year programs, membership for pupils shall mean the number of full-time equivalent pupils in the program. This number shall equal the sum for all pupils of the number of classroom hours in the programs for which each pupil is enrolled divided by 1050.*

Sec. 8. Minnesota Statutes 1980, Section 124.20, is amended to read:

124.20 [EDUCATION; STATE AID; SUMMER SCHOOL AND FLEXIBLE SCHOOL YEAR CLASSES.]

Subdivision 1. [PROGRAMS.] Foundation aid for (1) summer school classes which are not a part of the regular school term in hospitals, sanatoriums, and home instruction programs, (2) inter-session classes of flexible school year programs, (3) summer school classes in elementary and secondary

schools, and (4) summer school instruction in teachers college laboratory schools or in the university laboratory school, shall be paid at a proportionate rate for foundation aids paid for the preceding regular school year; provided that no district shall receive aid for programs under this section in an amount greater than its actual expenditures for these programs; ~~provided further, that for purposes of computing summer school foundation aid through 1980, a district's foundation aid for the regular school year shall be reduced by the amount of the agricultural tax credit included in that foundation aid;~~ provided further, that for purposes of computing summer school foundation aid starting in 1981, foundation aid for the regular school year shall be reduced by amounts of foundation aid computed pursuant to section 124.212, subdivision 7c, clauses (2), (3), (4) and (5), and section 124.212, subdivision 7d, clauses (2), (3), (4) and (5), or their successor provisions. *Beginning in the 1982-1983 school year, summer school aid shall be paid under the provisions of subdivision 3 of this section.*

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

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

(2) "Summer school revenue allowance" means an amount equal to the product of the number of summer school pupil units in a district, times the foundation aid formula allowance as defined in section 124.01, subdivision 2, for the preceding regular school year.

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

Subd. 3. [SUMMER SCHOOL AID.] Each year a district shall receive summer school 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 17 of this article certified in the calendar year when the summer school program is offered; times

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

(2) the levy certified by the district pursuant to section 17 of this article in the calendar year when the summer school program is offered.

Sec. 9. Minnesota Statutes 1980, Section 124.212, Subdivision 1, is amended to read:

Subdivision 1. [INTRODUCTION.] The foundation aid program for school districts ~~for school years 1979-1980 and 1980-1981~~ shall be governed by the terms and provisions of this section.

Sec. 10. Minnesota Statutes 1980, Section 124.212, Subdivision 7d, is amended to read:

Subd. 7d. For the 1981-1982 school year a district shall receive in foundation aid:

(1) ~~\$1,354~~ \$1,310 per pupil unit identified in section 124.17, subdivision 1, clauses (1), (2), (4) and (5), less 21 mills times the 1979 adjusted assessed valuation of the district; plus

(2) the amount of the agricultural tax credit by which 1980 payable 1981 property taxes in the district are reduced pursuant to section ~~273.132~~ 124.213; plus

(3) an amount equal to the product obtained by multiplying the ratio of the district's actual levy to its permitted levy in 1980 payable 1981 pursuant to section 275.125, subdivision 6b, times the difference between

(a) the greater of

(i) the amount derived in subdivision 7c, clause (3), part (a), or

(ii) the product obtained by multiplying the number of pupil units identified in section 124.17, subdivision 1, clauses (1) and (2), in the district in 1980-1981, times the quotient obtained by dividing the amount derived in subdivision 7c, clause (3), part (a), by the number of pupil units identified in section 124.17, subdivision 1, clauses (1) and (2) in the district in 1979-1980, and

(b) the product obtained by multiplying the amount derived in part (a) of this clause times the lesser of

(i) one or

(ii) the ratio of the district's 1979 adjusted assessed valuation per pupil unit identified in section 124.17, subdivision 1, clauses (1), (2), (4) and (5) in the district in 1980-1981, to the state average 1979 adjusted assessed valuation per pupil unit identified in section 124.17, subdivision 1, clauses (1), (2), (4) and (5), in the state in 1980-1981; plus

(4) an amount equal to the ratio of the district's actual levy to its permitted levy in 1980 payable 1981 pursuant to section 275.125, subdivision 6c, times the difference between

(a) the product obtained by multiplying

(i) the number of pupil units identified in section 124.17, subdivision 1, clauses (1), (2), (4) and (5) in the district in 1981-1982 times

(ii) 107 percent of the quotient obtained by dividing the amount derived in subdivision 7c, clause (4), part (a), by the number of pupil units identified in section 124.17, subdivision 1, clauses (1), (2), (4) and (5) in the district in 1980-1981, *except that for districts which do not receive revenue pursuant to section 23 of this article, and with more than 1,000 square miles in area, the revenue computed pursuant to Minnesota Statutes, 1979 Supplement, Section 124.224, for purposes of subdivision 7c, clause (4) shall be increased by 50 percent, and*

(b) the product obtained by multiplying the ratio of the amount derived in part (a) (ii) of this clause to \$64,476, times the district's 1979 adjusted assessed valuation; plus

(5) an amount equal to the difference between

(a) the product obtained by multiplying the mill rate levied by the district on its adjusted assessed valuation in 1980 payable 1981 pursuant to section

275.125, subdivision 7a, times \$64,476, times the number of pupil units identified in section 124.17, subdivision 1, clauses (1), (2), (4) and (5), in the district in 1980-1981; and

(b) the product obtained by multiplying the mill rate levied by the district on its adjusted assessed valuation in 1980 payable 1981 pursuant to section 275.125, subdivision 7a, times the district's 1979 adjusted assessed valuation.

(6) No district where the assessed valuation of agricultural land identified in section 273.13, subdivisions 4, 6 and 6a, comprises 60 percent or more of the assessed valuation of the district shall receive an amount of foundation aid pursuant to clause (1) which is less than the following difference:

(a) \$800 times the number of pupil units identified in section 124.17, subdivision 1, clauses (1), (2), (4) and (5), less

(b) the sum of

(i) the amount of the agricultural tax credit by which 1980 payable 1981 property taxes in the district are reduced pursuant to section 273.132, plus

(ii) the amount by which 1980 payable 1981 property taxes in the district are reduced pursuant to section 273.13, subdivisions 6, 7 and 14a, plus

(iii) the amount by which 1980 payable 1981 property taxes in the district are reduced pursuant to section 273.135, plus

(iv) the amount by which 1980 payable 1981 taxes in the district are reduced pursuant to section 273.138, subdivision 6.

Sec. 11. Minnesota Statutes 1980, Section 124.212, is amended by adding a subdivision to read:

Subd. 7e. [FOUNDATION AID; 1982-1983.] For the 1982-1983 school year a district shall receive in foundation aid:

(1) [BASIC FOUNDATION AID.] \$1,348 per pupil unit identified in section 124.17, subdivision 1, clauses (1), (2), (4) and (5), less 21 mills times the 1980 adjusted assessed valuation of the district; plus

(2) [AGRICULTURAL TAX CREDIT.] The amount of the agricultural tax credit by which 1981 payable 1982 property taxes in the district are reduced pursuant to section 124.213; plus

(3) [GRANDFATHER LEVY MATCHING AID.] An amount equal to the product obtained by multiplying the ratio of the district's actual levy to its permitted levy in 1981 payable 1982 pursuant to section 275.125, subdivision 6b, times the difference between

(a) the greater of

(i) the amount derived in Minnesota Statutes 1980, Section 275.125, Subdivision 6b, clause (1)(b), or

(ii) the product obtained by multiplying the number of pupil units identified in section 124.17, subdivision 1, clauses (1) and (2), in the district in 1981-1982 times the quotient obtained in Minnesota Statutes 1980, Section 275.125, Subdivision 6b, Clause (2)(b)(ii), and

(b) the product obtained by multiplying the amount derived in part (a) of this clause times the lesser of

(i) one or

(ii) the ratio of the district's 1980 adjusted assessed valuation per pupil unit identified in section 124.17, subdivision 1, clauses (1), (2), (4) and (5) in the district in 1981-1982, to the state average 1980 adjusted assessed valuation per pupil unit identified in section 124.17, subdivision 1, clauses (1), (2), (4) and (5), in the state in 1981-1982; plus

(4) [REPLACEMENT LEVY MATCHING AID.] An amount equal to the ratio of the district's actual levy to its permitted levy in 1981 payable 1982 pursuant to section 275.125, subdivision 6c, times the difference between

(a) the product obtained by multiplying

(i) the number of pupil units identified in section 124.17, subdivision 1, clauses (1), (2), (4) and (5) in the district in 1982-1983 times

(ii) the product obtained by multiplying

(A) the ratio of \$1,348 to \$1,265, times

(B) the amount derived in Minnesota Statutes 1980, Section 275.125, Subdivision 6c, Clause (1)(a)(i)(A), and

(b) the product obtained by multiplying the ratio of the amount derived in (a)(ii) to the equalizing factor, times the district's 1980 adjusted assessed valuation; plus

(5) [DISCRETIONARY LEVY MATCHING AID.] An amount equal to the difference between

(a) the product obtained by multiplying the mill rate levied by the district on its adjusted assessed valuation in 1981 payable 1982 pursuant to section 275.125, subdivision 7a, times the equalizing factor, times the number of pupil units identified in section 124.17, subdivision 1, clauses (1), (2), (4) and (5), in the district in 1981-1982; and

(b) the product obtained by multiplying the mill rate levied by the district on its adjusted assessed valuation in 1981 payable 1982 pursuant to section 275.125, subdivision 7a, times the district's 1980 adjusted assessed valuation.

(6) [MINIMUM AID.] No district where the assessed valuation of agricultural land identified in section 273.13, subdivisions 4, 6 and 6a, comprises 60 percent or more of the assessed valuation of the district shall receive an amount of foundation aid pursuant to clause (1) which is less than the following difference:

(a) \$800 times the number of pupil units identified in section 124.17, subdivision 1, clauses (1), (2), (4) and (5), less

(b) the sum of

(i) the amount of the agricultural tax credit by which 1981 payable 1982 property taxes in the district are reduced pursuant to section 124.213, plus

(ii) the amount by which 1981 payable 1982 property taxes in the district are reduced pursuant to section 273.13, subdivisions 6, 7 and 14a, plus

(iii) the amount by which 1981 payable 1982 property taxes in the district are reduced pursuant to section 273.135.

Sec. 12. Minnesota Statutes 1980, Section 124.212, is amended by adding a subdivision to read:

Subd. 22. [RECOMPUTED REPLACEMENT AMOUNT.] (1) Notwithstanding any law to the contrary, if the amounts derived by applying the provisions of Minnesota Statutes, 1979 Supplement, Section 124.17, Subdivision 1, Clause (7) in Minnesota Statutes 1980, Sections 124.212, Subdivision 7c, Clause (4)(a) and 275.125, Subdivision 6c, Clause (1)(a)(i)(A), or Clause (1)(b) for any district where the actual number of pupil units increased from the 1979-1980 school year to the 1980-1981 school year, are smaller than the amounts which would have been derived under those sections for the district by using the quotient in Minnesota Statutes, 1979 Supplement, Section 124.17, Subdivision 1, Clause (6)(a), then the amounts derived in Minnesota Statutes 1980, Sections 124.212, Subdivision 7c, Clause (4)(a) and 275.125, Subdivision 6c, Clause (1)(a)(i)(A), or Clause (1)(b) shall be recomputed for all purposes using the quotient in Minnesota Statutes, 1979 Supplement, Section 124.17, Subdivision 1, Clause (6)(a), notwithstanding the district's increase in actual pupil units from the 1979-1980 to the 1980-1981 school year. The recomputed amounts shall be used in lieu of the amounts derived in Minnesota Statutes 1980, Section 124.212, Subdivision 7c, Clause (4)(a) and 275.125, Subdivision 6c, Clause (1)(a)(i)(A) or Clause (1)(b) for purposes of determining the district's authorized levies and foundation aid.

(2) [LEVY ADJUSTMENTS.] The 1979 payable 1980 and 1980 payable 1981 levy limitations of districts affected by clause (1) shall be recomputed as if clause (1) had been in effect at the time they were originally certified, and the 1981 payable 1982 levy limitation shall be increased by the sum of the differences between the original and the recomputed levy limitations for those years.

(3) [FOUNDATION AID ADJUSTMENTS.] Foundation aid for the 1980-1981 and 1981-1982 school years for districts which are affected by clause (1) shall be computed by applying the provisions of clause (1), except that for purposes of this computation the ratio of the district's actual levy to its permitted levy under Minnesota Statutes, Section 275.125, Subdivision 6c shall not be affected by clause (1).

Sec. 13. [124.212] [DULUTH AIR BASE CLOSING; AID.]

Subdivision 1. [DETERMINING PUPIL UNIT REDUCTION.] In the 1981-1982 school year, every district having pupils enrolled whose parents are employed in the military or a civilian capacity at the Duluth air base shall determine the reduction in number of pupil units from the 1980-1981 school year because of the closing of the Duluth air base.

Subd. 2. [1981-1982 ADJUSTMENT.] In the 1981-1982 school year, the district shall receive 100 percent of the foundation aid lost because of the reduction in pupil units pursuant to subdivision 1.

Sec. 14. Minnesota Statutes 1980, Section 273.138, Subdivision 1, is amended to read:

Subdivision 1. Except as provided in subdivision 4, each county government, city, and township ~~and school district~~ which levied ad valorem taxes payable in 1973 shall receive reimbursement in 1974 and subsequent years for real property exempted from property taxation by section 272.02, subdivision

1.

Sec. 15. Minnesota Statutes 1980, Section 273.138, Subdivision 6, is amended to read:

Subd. 6. If a county government, city or township is subject to the provisions of sections 275.50 to 275.56, the amount of aid calculated for such taxing district pursuant to subdivision 2 for 1976 shall be deducted from the taxing district's levy year 1975, taxes payable 1976 levy limit base determined pursuant to section 275.51, subdivision 3b and the amount of aid calculated for such taxing district pursuant to subdivision 2 for 1977 shall be deducted from the taxing district's levy year 1976, taxes payable 1977 levy limit base determined pursuant to section 275.51, subdivision 3c for the purpose of calculating the taxing district's levy limitation for taxes payable in 1976 or 1977 as the case may be. ~~The amount of aid calculated for a school district pursuant to subdivision 3, clauses (2), (3), (4), (5) and (6) for 1975 or a subsequent year shall be deducted from the school district's maintenance levy limitation established pursuant to section 275.125, subdivision 2a, in determining the amount of taxes the school district may levy for general and special purposes for taxes payable in 1975 or a subsequent year.~~

Sec. 16. Minnesota Statutes 1980, Section 275.125, Subdivision 2a, is amended to read:

Subd. 2a. [BASIC MAINTENANCE AND REFERENDUM LEVY.] (1) In ~~1979~~ 1981, a school district may levy for all general and special school purposes, an amount equal to the amount raised by ~~23~~ 21 mills times the ~~1978~~ 1980 adjusted assessed valuation of the district.

(2) In ~~1980~~ 1982, a school district may levy for all general and special school purposes, an amount equal to the amount raised by 21 mills times the ~~1979~~ 1981 adjusted assessed valuation of the district.

(3) For any district levying less than 95 percent of the maximum levy allowable in clauses (1) and (2), the foundation aid to the district for the school year when the levy is recognized as revenue, calculated pursuant to section 124.212, subdivision 7c, clauses (1) and (6); or section 124.212, subdivision 7d, clauses (1) and (6); or their successor provisions, as applicable, shall be reduced to an amount equal to the ratio between the actual levy and the maximum levy allowable under clauses (1) and (2) times the foundation aid calculated pursuant to section 124.212, subdivision 7c, clauses (1) and (6); or section 124.212, subdivision 7d, clauses (1) and (6); or their successor provisions, as applicable, to which the district is otherwise entitled for that year. For purposes of computations pursuant to this clause, the maximum levy allowable and the actual levy under clauses (1) and (2) shall be increased by any reduction of this levy which is required by section 275.125, subdivision 9 or any other law.

(4) (a) The levy authorized by clauses (1) or (2) may be increased in any amount which is approved by the voters of the district at a referendum called for the purpose. Such a referendum may be called by the school board or shall be called by the school board upon written petition of qualified voters of the district. The referendum shall be held on a date set by the school board. Only one such election may be held to approve a levy increase which will commence in a specific school year. The question on the ballot shall state the maximum

amount of the increased levy in mills, the amount that will be raised by that millage in the first year it is to be levied, and that the millage shall be used to finance school operations. The question may designate a specific number of years for which the referendum authorization shall apply. If approved, the amount provided by the approved millage applied to each year's taxable valuation shall be authorized for certification for the number of years approved, if applicable, or until revoked by the voters of the district at a subsequent referendum.

(b) A referendum on the question of revoking the increased levy amount authorized pursuant to clause (a) of this clause may be called by the school board and shall be called by the school board upon the written petition of qualified voters of the district. The amount approved by the voters of the district pursuant to clause (a) of this clause must be levied at least once before it is subject to a referendum on its revocation for subsequent years. Only one such revocation election may be held to revoke a levy for any specific year and for years thereafter.

(c) A petition authorized by clauses (a) or (b) of this clause shall be effective if signed by a number of qualified voters in excess of 15 percent, or ten percent if the school board election is held in conjunction with a general election, of the average number of voters at the two most recent district wide school elections. A referendum invoked by petition shall be held within three months of submission of the petition to the school board.

(d) Notwithstanding any law to the contrary, the approval of 50 percent plus one of those voting on the question is required to pass a referendum.

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

Sec. 17. Minnesota Statutes 1980, Section 275.125, is amended by adding a subdivision to read:

Subd. 2d. [SUMMER SCHOOL LEVY.] Beginning in the 1982-1983 school year a district may levy for summer school programs an amount equal to the following product:

(1) The district's summer school revenue allowance as defined in section 124.20 for the calendar year when the levy is certified, times

(2) the ratio of

(a) the quotient derived by dividing the adjusted assessed valuation of the district in the second preceding year, by the number of pupil units identified in section 124.17, subdivision 1, clauses (1), (2), (4) and (5) in the district in the preceding regular school year, to

(b) the equalizing factor for the preceding regular school year.

Sec. 18. Minnesota Statutes 1980, Section 275.125, Subdivision 6b, is amended to read:

Subd. 6b. [GRANDFATHER LEVY.] (1) In 1979 any district which qualified in 1978 for an excess levy under Minnesota Statutes 1978, Section 275.125, Subdivision 6 or 7, may levy an amount equal to the product obtained by multiplying

(a) the lesser of

(i) one or

(ii) the ratio of the district's 1978 adjusted assessed valuation per pupil unit identified in section 124.17, subdivision 1, clauses (1), (2), (4) and (5), in the district in 1979-1980, to the state average 1978 adjusted assessed valuation per pupil unit identified in section 124.17, subdivision 1, clauses (1), (2), (4) and (5), in the state in 1979-1980, times

(b) the product obtained by multiplying

(i) the amount per pupil unit which the district was permitted to levy in 1978 under Minnesota Statutes 1978, Section 275.125, Subdivisions 6 and 7, times

(ii) the number of pupil units identified in section 124.17, subdivision 1, clauses (1), (2), (6), and (7), in the district in 1979-1980.

(2) In 1980 and Each year thereafter, any district which qualified in 1979 for an excess levy under ~~clause (1)~~, this subdivision shall be allowed to levy an amount equal to the product obtained by multiplying

(a) (1) the lesser of

(i) (a) one or

(ii) (b) the ratio of the district's adjusted assessed valuation in the preceding year per pupil unit identified in section 124.17, subdivision 1, clauses (1), (2), (4) and (5), in the school year when the levy is certified, to the state average adjusted assessed valuation in the preceding year per pupil unit identified in section 124.17, subdivision 1, clauses (1), (2), (4), and (5), in the school year when the levy is certified, times

(b) (2) the greater of

(i) (a) the amount derived in Minnesota Statutes 1980, Section 275.125, Subdivision 6b, Clause (1); ~~part~~ (b), or

(ii) (b) the product obtained by multiplying

(i) the number of pupil units identified in section 124.17, subdivision 1, clauses (1) and (2) in the district in the school year when the levy is certified, times

(ii) the quotient obtained by dividing the amount derived in ~~clause (1), part (b)~~, by the number of pupil units identified in section 124.17, subdivision 1, clauses (1) and (2), in the district in 1979-1980 in Minnesota Statutes 1980, Section 275.125, Subdivision 6b, Clause (2)(b)(ii).

Sec. 19. Minnesota Statutes 1980, Section 275.125, Subdivision 6c, is amended to read:

Subd. 6c. [REPLACEMENT LEVY.] (1) In 1979 any district may levy an amount equal to the lesser of

(a) the product obtained by multiplying

(i) the ratio of

(A) the quotient obtained by dividing the sum of the additional amounts of aid the district would receive if pupil units identified in section 124.17, sub-

division 1, clauses (6) and (7) were used in addition to the pupil units identified in section 124.17, subdivision 1, clauses (1), (2), (4) and (5), in the computation pursuant to section 124.212, subdivision 7e, clause (1), and if section 124.224 were effective in the 1980-1981 school year, by the number of pupil units identified in section 124.17, subdivision 1, clauses (1), (2), (4) and (5), in the district in 1980-1981, to

(B) \$55,000, times

(ii) the district's 1978 adjusted assessed valuation, or

(b) the additional amounts of aid the district would receive if pupil units identified in section 124.17, subdivision 1, clauses (6) and (7) were used in addition to the pupil units identified in section 124.17, subdivision 1, clauses (1), (2), (4) and (5), in the computation pursuant to section 124.212, subdivision 7e, clause (1), and if section 124.224 were effective in the 1980-1981 school year.

(2) (1) In 1980 and Each year thereafter, any district which qualified for a levy under clause (1) this subdivision in 1979 may levy an amount equal to the lesser of

(a) the product obtained by multiplying

(i) the ratio of the foundation aid formula allowance for the school year to which the levy is attributable pursuant to section 121.904, subdivision 4, to \$1,265, times

(ii) the ratio of the amount derived in *Minnesota Statutes 1980, Section 275.125, Subdivision 6c, Clause (1)*, part (a) (i) (A), to the equalizing factor for the school year to which the levy is attributable, times

(iii) the district's adjusted assessed valuation for the preceding year, or

(b) the product obtained by multiplying

(i) the number of pupil units identified in section 124.17, subdivision 1, clauses (1), (2), (4) and (5) in the district in the school year to which the levy is attributable pursuant to section 121.904, subdivision 4, times

(ii) the ratio of the foundation aid formula allowance for the year to which the levy is attributable pursuant to section 121.904, subdivision 4, to \$1,265, times

(iii) the amount derived in *Minnesota Statutes 1980, Section 275.125, Subdivision 6c, Clause (1)*, part (a) (i) (A).

(2) Notwithstanding *Minnesota Statutes 1980, Section 275.125, Subdivision 6c, Clause (1) (a) (i) (A)*, for purposes of computing levy limitations pursuant to this subdivision in 1981 and thereafter and for purposes of computing foundation aid for 1982-1983 and succeeding years pursuant to section 11, clause (4) of this article, or its successor provision, the amount derived in *Minnesota Statutes 1980, Section 275.125, Subdivision 6c, Clause (1) (a) (i) (A)* shall be reduced by the additional amounts of foundation aid the district would have received in 1981-1982 if pupil units identified in *Minnesota Statutes, 1979 Supplement, Section 124.17, Subdivision 1, Clause (7)*, had been used to compute foundation aid for that year.

Sec. 20. *Minnesota Statutes 1980, Section 275.125, Subdivision 7a, is*

amended to read:

Subd. 7a. [DISCRETIONARY LEVY.] (1) In 1980 each district which levies the maximum permissible amount pursuant to subdivision 2a, clause (1) or (2) and subdivision 6b, may levy an additional amount which shall not exceed the lesser of (a) an amount equal to one mill times the district's 1979 adjusted assessed valuation or (b) the product obtained by multiplying \$64.48 times the number of pupil units identified in section 124.17, subdivision 1, clauses (1), (2), (4), and (5), in the district in the 1980-1981 school year.

(2) (1) In 1981 and each year thereafter, each district which levies the maximum permissible amount pursuant to subdivision 2a, clause (1) or (2) and subdivision 6b may levy an additional amount which shall not exceed the lesser of (a) an amount equal to $1\frac{1}{2}$ to $2\frac{1}{2}$ mills times the district's adjusted assessed valuation for the preceding year or (b) the product obtained by multiplying (i) $1\frac{1}{2}$ times (ii) the ratio of the equalizing factor to 1,000 the discretionary allowance, times (iii) (ii) the number of pupil units identified in section 124.17, subdivision 1, clauses (1), (2), (4), and (5), in the district in the school year when the levy is certified.

(3) (2) The board is not required to hold a public hearing or conduct a referendum on the levy authorized by this subdivision in any year when the board proposes to levy not to exceed an amount equal to the preceding year's adjusted assessed valuation times the largest number of EARC mills previously levied by the district pursuant to this subdivision.

(3)(a) The provisions of this clause shall apply to the levy authorization in this subdivision in any year when the board either proposes to levy pursuant to this subdivision for the first time or proposes to increase the number of mills which it levies against its adjusted assessed valuation pursuant to this subdivision to a number of mills greater than the largest number of mills previously levied against its adjusted assessed valuation pursuant to this subdivision.

(b) By the July 1 before a district certifies any levy pursuant to this subdivision in 1980, in any even-numbered year thereafter, or in any odd-numbered year thereafter when the district has not certified a levy pursuant to this subdivision in the preceding year in any year when this clause applies, the board of the district shall hold a public hearing on the need for the proposed levy pursuant to this subdivision or increase. At least three weeks published notice of the hearing in 10 point type or 5.0 agate type, on 12 point body, with a larger headline, shall be given in the legal newspaper with the largest circulation in the district. The notice shall state the amount of the proposed levy or increase in dollars, and EARC mills and auditor's mills, and the estimated net unappropriated fund balance in the district's operating funds as of the June 30 before the levy or increase is certified, and the tax impact of the proposed levy on homesteads with market values of \$30,000 and \$50,000.

(c) At the hearing, the district shall present its proposed revenue and expenditure budgets for the next two school years and the estimated net unappropriated fund balances in all district funds as of the June 30 before the levy or increase is certified, and the board shall hear all parties requesting to give testimony for and against the proposed levy or increase. Upon receipt of a petition within 20-45 days after the hearing of the greater of (a) 50 voters, or (b) 15 percent of the number of voters who voted in the district at the most recent regular school board election, the board shall call a referendum on a reduction

of the proposed levy or increase. The petition shall state the number of mills on the district's adjusted assessed valuation by which it proposes to reduce the proposed levy. No petition or referendum shall provide for a reduction of a proposed levy pursuant to this subdivision to a rate less than one-half mill on the district's adjusted assessed valuation below the rate levied by the district pursuant to this subdivision in the preceding year. A petition shall be effective if signed by a number of qualified voters in the district equal to the greater of 50 voters or 15 percent of the number of voters who voted in the district at the most recent regular school board election.

(d) The referendum shall be held on a date set by the school board, but no later than the August 20 or before September 20 in the year the levy is certified. The question on the ballot shall state the maximum amount of the proposed levy, the amount of the proposed reduction of the levy and the amount of the levy if the reduction is approved, in mills on the district's adjusted assessed valuation and in dollars in the first year of the proposed levy.

The ballot shall state substantially the following, as appropriate:

The board of School District No. has proposed (a discretionary levy in a maximum amount of EARC mills which would raise) (to increase a discretionary levy from EARC mills to EARC mills. This increase would provide an additional) \$..... in the first year levied.

Shall the (increase in the) discretionary levy proposed by the Board of School District No. be approved?

..... Yes
..... No

(e) The approval of 50 percent plus one of those voting on the question is required to pass the referendum.

(f) If a petition is not received or if the proposed levy or increase is approved at a referendum, the district may levy the amount provided by the number of mills proposed by the school board. If a proposed first time levy is not approved, the district may not levy pursuant to this subdivision. If a proposed increase is not approved, the district may levy an amount not to exceed the amount provided by the millage proposed by the school board, reduced by any reduction in millage approved at a referendum pursuant to this clause largest number of EARC mills previously levied by the district pursuant to this subdivision, applied to the preceding year's adjusted assessed valuation until the next even-numbered year. The district is not required to hold a public hearing or call a referendum on a levy pursuant to this subdivision in any odd-numbered year which succeeds a year in which a levy is certified pursuant to this subdivision.

Sec. 21. Minnesota Statutes 1980, Section 275.125, Subdivision 9, is amended to read:

Subd. 9. (1) Districts which receive payments which result in deductions from foundation aid pursuant to section 124.212, subdivision 8a, clause (1), shall reduce the permissible levies authorized by subdivisions 3 to 14 by that portion of the previous year's payment not deducted from foundation aid on account of the payment. The levy reductions shall be made in the proportions

that each permissible levy bears to the sum of the permissible levies. Reductions in levies pursuant to this clause; *and* subdivision 10 of this section; ~~and section 273.138~~, shall be made prior to the reductions in clause (2).

(2) Notwithstanding any other law to the contrary, districts which received payments pursuant to sections 294.21 to 294.26; 298.23 to 298.28; 298.34 to 298.39; 298.391 to 298.396; 298.405; 298.51 to 298.67; ~~477A.15~~; and any law imposing a tax upon severed mineral values, or under any other law distributing proceeds in lieu of ad valorem tax assessments on copper or nickel properties, *or recognized revenue pursuant to section 477A.15*; shall not include a portion of these aids in their permissible levies pursuant to those sections, but instead shall reduce the permissible levies authorized by this section by the greater of the following:

(a) an amount equal to 50 percent of the total dollar amount of the payments received pursuant to those sections *or revenue recognized pursuant to section 477A.15* in the previous fiscal year; or

(b) an amount equal to the total dollar amount of the payments received pursuant to those sections *or revenue recognized pursuant to section 477A.15* in the previous fiscal year less the product of the same dollar amount of payments *or revenue* times the ratio of the maximum levy allowed the district under subdivision 2a, to the total levy allowed the district under this section in the year in which the levy is certified.

(3) No reduction pursuant to this subdivision shall reduce the levy made by the district pursuant to subdivision 2a, clause (1) or (2), to an amount less than the amount raised by a levy of ten mills times the adjusted assessed valuation of that district for the preceding year as determined by the equalization aid review committee. The amount of any increased levy authorized by referendum pursuant to subdivision 2a, clause (4) shall not be reduced pursuant to this subdivision. The amount of any levy authorized by subdivision 4, to make payments for bonds issued and for interest thereon, shall not be reduced pursuant to this subdivision. The amount of any levy authorized by subdivision 7a shall not be reduced pursuant to this subdivision.

(4) Before computing the reduction pursuant to this subdivision of the capital expenditure levy authorized by subdivision 11a, and the community service levy authorized by subdivision 8, the commissioner shall ascertain from each affected school district the amount it proposes to levy for capital expenditures pursuant to subdivision 11a and for community services pursuant to subdivision 8. The reduction of the capital expenditure levy and the community services levy shall be computed on the basis of the amount so ascertained.

(5) Notwithstanding any law to the contrary, any amounts received by districts in any fiscal year pursuant to sections 294.21 to 294.26; 298.23 to 298.28; 298.34 to 298.39; 298.391 to 298.396; 298.405; 298.51 to 298.67; or any law imposing a tax on severed mineral values, or under any other law distributing proceeds in lieu of ad valorem tax assessments on copper or nickel properties; and not deducted from foundation aid pursuant to section 124.212, subdivision 8a, clause (2), and not applied to reduce levies pursuant to this subdivision shall be paid by the district to the commissioner of finance in the following amount on the designated date: on or before March 15 of each year, 100 percent of the amount required to be subtracted from the previous fiscal

year's foundation aid pursuant to section 124.212, subdivision 8a, which is in excess of the foundation aid earned for that fiscal year. The commissioner of finance shall deposit any amounts received pursuant to this clause in the taconite property tax relief fund in the state treasury, established pursuant to section 16A.70 for purposes of paying the taconite homestead credit as provided in section 273.135.

Sec. 22. [275.128] [EXCESS FUND BALANCE; REVENUE REDUCTIONS.]

Beginning with the 1981 levy, when a school district has a net unappropriated operating fund balance as of the June 30 before the levy is certified which exceeds \$400 per pupil unit, as defined in section 124.17, subdivision 1, clauses (1), (2), (4) and (5) for the same fiscal year, the revenue entitlement shall be reduced as follows:

The revenue entitlement from the discretionary levy authorized in subdivision 7a, clause (2) and the related aid authorized in section 124.212 shall be reduced by the amount of the fund balance in excess of \$400 per pupil unit.

Sec. 23. Minnesota Statutes 1980, Section 298.28, Subdivision 1, is amended to read:

Subdivision 1. The proceeds of the taxes collected under section 298.24, except the tax collected under section 298.24, subdivision 2, shall, upon certificate of the commissioner of revenue to the general fund of the state, be paid by the commissioner of revenue as follows:

(1) 2.5 cents per gross ton of merchantable iron ore concentrate, hereinafter referred to as "taxable ton", to the city or town in which the lands from which taconite was mined or quarried were located or within which the concentrate was produced. If the mining, quarrying, and concentration, or different steps in either thereof are carried on in more than one taxing district, the commissioner shall apportion equitably the proceeds of the part of the tax going to cities and towns among such subdivisions upon the basis of attributing 40 percent of the proceeds of the tax to the operation of mining or quarrying the taconite, and the remainder to the concentrating plant and to the processes of concentration, and with respect to each thereof giving due consideration to the relative extent of such operations performed in each such taxing district. His order making such apportionment shall be subject to review by the tax court at the instance of any of the interested taxing districts, in the same manner as other orders of the commissioner.

(2) 12.5 cents per taxable ton, less any amount distributed under clause (8), to the taconite municipal aid account in the apportionment fund of the state treasury, to be distributed as provided in section 298.282.

(3) 29 cents per taxable ton *plus the increase provided in paragraph (c) to qualifying school districts* to be distributed as follows:

(a) Six cents per taxable ton to the school districts in which the lands from which taconite was mined or quarried were located or within which the concentrate was produced. The commissioner shall follow the apportionment formula prescribed in clause (1).

(b) 23 cents per taxable ton, less any amount distributed under part (a) (d), shall be distributed to a group of school districts comprised of those school

districts wherein the taconite was mined or quarried or the concentrate produced or in which there is a qualifying municipality as defined by section 273.134. ~~The 23 cents, less any amount distributed under part (e), shall be distributed~~ in direct proportion to school district tax levies as follows: each district shall receive that portion of the total distribution which its permitted levy for the prior year, computed pursuant to section 275.125, comprises of the sum of permitted levies for the prior year for all qualifying districts, computed pursuant to section 275.125. For purposes of distributions pursuant to this part, permitted levies for the prior year computed pursuant to section 275.125 shall not include the amount of any increased levy authorized by referendum pursuant to section 275.125, subdivision 2a, clause (4).

(c) On July 15, 1982 and on July 15 in subsequent years, an amount equal to the increase derived by increasing the amount determined by clause (3)(b) in the same proportion as the increase in the steel mill products index over the base year of 1977 as provided in section 298.24, subdivision 1, clause (a), shall be distributed to any school district described in clause (3)(b) where a levy increase pursuant to section 275.125, subdivision 2a, clause (4) is authorized by referendum, according to the following formula. Each district shall receive the product of:

(i) \$150 per pupil unit identified in section 124.17, subdivision 1, clauses (1) and (2), enrolled in the previous school year, less the product of two mills times the district's adjusted assessed valuation in the second previous year; times

(ii) the lesser of:

(A) one, or

(B) the ratio of the amount certified pursuant to section 275.125, subdivision 2a, clause (4), in the previous year, to the product of two mills times the district's adjusted assessed value in the second previous year.

The entitlement of \$150 per pupil unit shall be increased in any year in the same proportion as the increase that the district's adjusted assessed valuation is increased over the district's adjusted assessed valuation for the year 1980. If the total amount provided by clause (3)(c) is insufficient to make the payments herein required then the entitlement of \$150 per pupil unit shall be reduced uniformly so as not to exceed the funds available. Any amounts received by a qualifying school district in any fiscal year pursuant to clause (3)(c) shall not be applied to reduce foundation aids which the district is entitled to receive pursuant to section 124.212 or the permissible levies of the district. Any amount remaining after the payments provided in this paragraph shall be paid to the commissioner of finance who shall deposit the same in the taconite environmental protection fund and the northeast Minnesota economic protection fund as provided in section 298.28, subdivision 1, clause 10.

(e) (d) There shall be distributed to any school district the amount which the school district was entitled to receive under section 298.32 in 1975.

(4) 19.5 cents per taxable ton to counties to be distributed as follows:

(a) 15.5 cents per taxable ton shall be distributed to the county in which the taconite is mined or quarried or in which the concentrate is produced, less any amount which is to be distributed pursuant to part (b). The commissioner shall

follow the apportionment formula prescribed in clause (1).

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

(c) Four cents per taxable ton shall be paid to the county from which the taconite was mined, quarried or concentrated to be deposited in the county road and bridge fund. If the mining, quarrying and concentrating, or separate steps in any of those processes are carried on in more than one county, the commissioner shall follow the apportionment formula prescribed in clause (1).

(5) (a) 25.75 cents per taxable ton, less any amount required to be distributed under part (b), to the taconite property tax relief account in the apportionment fund in the state treasury, to be distributed as provided in sections 273.134 to 273.136.

(b) If an electric power plant owned by and providing the primary source of power for a taxpayer mining and concentrating taconite is located in a county other than the county in which the mining and the concentrating processes are conducted, .75 cent per taxable ton of the tax imposed and collected from such taxpayer shall be distributed by the commissioner of revenue to the county and school district in which the power plant is located as follows: 25 percent to the county and 75 percent to the school district.

(6) One cent per taxable ton to the state for the cost of administering the tax imposed by section 298.24.

(7) Three cents per taxable ton shall be deposited in the state treasury to the credit of the iron range resources and rehabilitation board account in the special revenue fund for the purposes of section 298.22. The amount determined in this clause shall be increased in 1981 and subsequent years in the same proportion as the increase in the steel mill products index as provided in section 298.24, subdivision 1. The amount distributed pursuant to this clause shall be expended within or for the benefit of a tax relief area defined in section 273.134. No part of the fund provided in this clause may be used to provide loans for the operation of private business unless the loan is approved by the governor and the legislative advisory commission.

(8) .20 cent per taxable ton shall be paid in 1979 and each year thereafter, to the range association of municipalities and schools, for the purpose of providing an area wide approach to problems which demand coordinated and cooperative actions and which are common to those areas of northeast Minnesota affected by operations involved in mining iron ore and taconite and producing concentrate therefrom, and for the purpose of promoting the general welfare and economic development of the cities, towns and school districts within the iron range area of northeast Minnesota.

(9) the amounts determined under clauses (4)(a), (4)(c), and (5) shall be increased in 1979 and subsequent years in the same proportion as the increase in the steel mill products index as provided in section 298.24, subdivision 1.

(10) the proceeds of the tax imposed by section 298.24 which remain after

the distributions in clauses (1) to (9) and parts (a) and (b) of this clause have been made shall be divided between the taconite environmental protection fund created in section 298.223 and the northeast Minnesota economic protection fund created in section 298.292 as follows: In 1978, 1979, 1980, 1981, and 1982, two-thirds to the taconite environmental protection fund and one-third to the northeast Minnesota economic protection fund; in 1983 and thereafter, one-half to each fund. The proceeds shall be placed in the respective special accounts in the general fund.

(a) In 1978 and each year thereafter, there shall be distributed to each city, town, school district, and county the amount that they received under section 294.26 in calendar year 1977.

(b) In 1978 and each year thereafter, there shall be distributed to the iron range resources and rehabilitation board the amounts it received in 1977 under section 298.22.

On or before October 10 of each calendar year each producer of taconite or iron sulphides subject to taxation under section 298.24 (hereinafter called "taxpayer") shall file with the commissioner of revenue and with the county auditor of each county in which such taxpayer operates, and with the chief clerical officer of each school district, city or town which is entitled to participate in the distribution of the tax, an estimate of the amount of tax which would be payable by such taxpayer under said law for such calendar year; provided such estimate shall be in an amount not less than the amount due on the mining and production of concentrates up to September 30 of said year plus the amount becoming due because of probable production between September 30 and December 31 of said year, less any credit allowable as hereinafter provided. Such estimate shall list the taxing districts entitled to participate in the distribution of such tax, and the amount of the estimated tax which would be distributable to each such district in the next ensuing calendar year on the basis of the last percentage distribution certified by the commissioner of revenue. If there be no such prior certification, the taxpayer shall set forth its estimate of the proper distribution of such tax under the law, which estimate may be corrected by the commissioner if he deems it improper, notice of such correction being given by him to the taxpayer and the public officers receiving such estimate. The officers with whom such report is so filed shall use the amount so indicated as being distributable to each taxing district in computing the permissible tax levy of such county, city or school district in the year in which such estimate is made, and payable in the next ensuing calendar year, except that in 1978 and 1979 two cents per taxable ton, and in 1980 and thereafter, one cent per taxable ton of the amount distributed under clause (4)(c) shall not be deducted in calculating the permissible levy. Such taxpayer shall then pay, at the times payments are required to be made pursuant to section 298.27, as the amount of tax payable under section 298.24, the greater of (a) the amount shown by such estimate, or (b) the amount due under said section as finally determined by the commissioner of revenue pursuant to law. If, as a result of the payment of the amount of such estimate, the taxpayer has paid in any calendar year an amount of tax in excess of the amount due in such year under section 298.24, after application of credits for any excess payments made in previous years, all as determined by the commissioner of revenue, the taxpayer shall be given credit for such excess amount against any taxes which, under said section, may become due from the taxpayer in subsequent years. In

any calendar year in which a general property tax levy subject to sections 275.125 or 275.50 to 275.59 has been made, if the taxes distributable to any such county, city or school district are greater than the amount estimated to be paid to any such county, city or school district in such year, the excess of such distribution shall be held in a special fund by the county, city or school district and shall not be expended until the succeeding calendar year, and shall be included in computing the permissible levies under sections 275.125 or 275.50 to 275.59, of such county, city or school district payable in such year. If the amounts distributable to any such county, city or school district, after final determination by the commissioner of revenue under this section are less than the amounts indicated by such estimates, such county, city or school district may issue certificates of indebtedness in the amount of the shortage, and may include in its next tax levy, in excess of the limitations of sections 275.125 or 275.50 to 275.59 an amount sufficient to pay such certificates of indebtedness and interest thereon, or, if no certificates were issued, an amount equal to such shortage.

There is hereby annually appropriated to such taxing districts as are stated herein, to the taconite property tax relief account and to the taconite municipal aid account in the apportionment fund in the state treasury, to the department of revenue, to the iron range resources and rehabilitation board, to the range association of municipalities and schools, to the taconite environmental protection fund, and to the northeast Minnesota economic protection fund, from any fund or account in the state treasury to which the money was credited, an amount sufficient to make the payment or transfer. The payment of the amount appropriated to such taxing districts shall be made by the commissioner of revenue on or before May 15 annually.

Sec. 24. [EVALUATION OF EXCESS MAINTENANCE LEVY.]

The state department of education shall study and evaluate the effects of the excess maintenance levy limitation and aid and report the findings of this study to the education committees of the legislature before February 15, 1982. The reports shall include recent data on patterns of revenue, expenditures, unit costs, and fund balances of school districts.

Sec. 25. [REPEALER.]

Minnesota Statutes 1980, Section 273.138, Subdivision 3, is repealed effective June 30, 1982. Minnesota Statutes 1980, Section 275.125, Subdivision 7b, is repealed.

Sec. 26. [APPROPRIATION.]

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

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

\$717,500,000 1982,

This amount includes \$68,750,000 for aid for fiscal year 1981 payable in fiscal year 1982, and \$648,750,000 for aid for fiscal year 1982 payable in fiscal year 1982.

\$632,100,000 1983.

This amount includes \$75,700,000 for aid for fiscal year 1982 payable in

fiscal year 1983, and \$556,400,000 for aid for fiscal year 1983 payable in fiscal year 1983.

Subd. 3. [SUMMER SCHOOL.] For state aid for summer school there is appropriated:

\$ 14,453,700 1982,

This amount is for 1981 summer school programs.

\$ 12,805,000 1983.

This amount is for 1982 summer school programs.

Subd. 4. Any unexpended balance remaining from the appropriations in this section for 1982 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. 27. [EFFECTIVE DATES.]

Section 12 of this article is effective the day following final enactment. Section 14 of this article is effective June 30, 1982. Section 23 of this article is effective for taxes payable in 1982 for iron ore concentrate produced in any year beginning after December 31, 1980.

ARTICLE II

TRANSPORTATION AID PROGRAM

Section 1. Minnesota Statutes 1980, Section 123.39, Subdivision 1, is amended to read:

Subdivision 1. The board may provide for the free transportation of pupils to and from school, and to schools, in other districts for grades and departments not maintained in the district, including high school, at the expense of the district, when funds are available therefor and if agreeable to the district to which it is proposed to transport the pupils, for the whole or a part of the school year, as it may deem advisable, and subject to its rules. Every driver shall possess all the qualifications required by the rules of the state board of education. In any ~~special or independent~~ school district, the board shall arrange for the attendance of all pupils living two miles or more from the school; through suitable provision for transportation or ~~for through~~ the boarding and rooming of ~~such~~ the pupils ~~as who~~ may be more economically and conveniently provided for by ~~such~~ that means. When transportation is provided, the scheduling of routes, the establishment of the location of bus stops, manner and method of transportation, control and discipline of school children and any other matter relating thereto shall be within the sole discretion, control and management of the school board. The district is ~~authorized to~~ may provide for the transportation of pupils or expend a reasonable amount for room and board of pupils whose attendance at school can more economically and conveniently be provided for by ~~such~~ that means or who attend school in a building rented or leased by a district within the confines of an adjacent district.

Sec. 2. Minnesota Statutes 1980, 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) Transportation or board of resident pupils who reside one mile or more from the public schools which they could attend, or transportation to, from, or between the schools they attend pursuant to a program approved by the commissioner of education, or who reside one mile or more from a private school actually attended, but only to the extent permitted by sections 123.76 to 123.79 with respect to private school pupils;

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

(3) Transportation 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) 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 during the school day to other buildings 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 the pupil reside at least one mile from school in order for the transportation to qualify for aid;

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

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

(8) Services described in clauses (1) to (7) and clauses (9) and (10) when provided in conjunction with a state board approved summer school program;

(9) 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) 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, and

(11) *Subject to approval by the state board of education, transportation costs for teachers from one educational facility to another within the district when such transportation is provided in lieu of transporting students between educational facilities within the district.*

Sec. 3. Minnesota Statutes 1980, 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) ~~Beginning with the 1980-1981 school year,~~ "Region" means development region as defined in section 462.384, subdivision 5, except that for purposes of this section, development regions 1 and 2 are one region, development regions 4 and 5 are one region, development regions 6E and 6W are one region, and development regions 7E and 7W are one region.

(c) "Total authorized cost" or "total authorized expenditure" means the sum of:

(i) all expenditures for transportation for which aid is authorized in section 124.223, plus

(ii) 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

(iii) 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.

(d) "Total authorized predicted cost" means the total authorized cost predicted by a multiple regression formula determined by the department of education.

~~(e) For the 1979-1980 school year, "regular and summer school authorized FTE's transported" means full time equivalent pupils transported under section 124.223, clause (1), during the regular school year and in conjunction with a state board approved summer school program.~~

~~(e)~~ (e) "Transportation category" means a category of transportation service provided to pupils. Each category includes transportation provided during the regular school year and in conjunction with a state board approved summer school program. For purposes of this section, transportation categories are as follows:

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

(ii) Secondary vocational center transportation is transportation services provided under section 124.223, clause (3);

(iii) Handicapped transportation is transportation services provided under section 124.223, clause (4), excluding board and lodging and excluding transportation to and from board and lodging facilities;

(iv) Board and lodging is services provided, in lieu of transportation, under section 124.223, clauses (4) and (5);

(v) Between schools transportation is transportation services between

schools provided under section 124.223, clause (1);

(vi) Shared time regular transportation is transportation services provided under section 124.223, clause (6), excluding transportation provided for pupils attending shared time special education classes;

(vii) Shared time special education transportation is transportation services for pupils attending shared time special education classes provided under section 124.223, clause (6);

(viii) 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);

(ix) Cooperative academic and vocational transportation is transportation services provided under section 124.223, clause (9);

(x) Nonpublic health, guidance and counseling transportation is transportation services provided under section 124.223, clause (10);

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

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

(i) (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.

Sec. 4. Minnesota Statutes 1980, Section 124.225, Subdivision 1a, is amended to read:

Subd. 1a. [WEIGHTING FACTORS.] ~~For the 1980-1981~~ Each school year ~~and thereafter~~, in computing transportation aid, the department of education shall establish the pupil weighting factors for each transportation category for each region using transportation cost data for the second prior school year. The department shall use the statewide pupil weighting factor for any transportation category for which a region had no experience during the second prior school year.

Sec. 5. Minnesota Statutes 1980, Section 124.225, Subdivision 2, is amended to read:

Subd. 2. [1981-1982 FORMULA.] For the ~~1979-1980~~ 1981-1982 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. A ~~linear~~ multiple regression formula shall be determined ~~through stepwise multiple regression analysis~~ for each planning region by the department of education, using the terms specified in subdivision 4 4a, to maximize the amount of variance accounted for between the total actual authorized cost per weighted FTE for the ~~1977-1978~~ 1979-1980 school year and the total authorized predicted cost per weighted FTE for the ~~1977-1978~~ 1979-1980 school year. The formula determined for each region shall be used to determine a total authorized predicted cost per FTE for the

~~1977-1978~~ 1979-1980 school year for each district in the region. The amount determined for each district shall be adjusted according to the provisions of subdivisions 5 and 7a.

Sec. 6. Minnesota Statutes 1980, Section 124.225, Subdivision 3, is amended to read:

Subd. 3. [1982-1983 FORMULA.] For the ~~1980-1981~~ 1982-1983 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. A multiple regression formula shall be determined through stepwise multiple regression analysis for each region by the department of education, using the terms specified in subdivision 4a, to maximize the amount of variance accounted for between the total actual authorized cost per weighted FTE for the ~~1978-1979~~ 1980-1981 school year and the total authorized predicted cost per weighted FTE for the ~~1978-1979~~ 1980-1981 school year. The formula determined for each region shall be used to determine a total authorized predicted cost per weighted FTE for the ~~1978-1979~~ 1980-1981 school year for each district in the region. The amount determined for each district shall be adjusted according to the provisions of subdivisions 6 and 7a.

Sec. 7. Minnesota Statutes 1980, Section 124.225, Subdivision 4a, is amended to read:

Subd. 4a. [FORMULA TERMS.] To predict the total authorized cost per weighted FTE for each district ~~beginning in the 1980-1981 school year pursuant to subdivisions 2 and 3~~, each regional multiple regression formula shall use the following terms and their squares for each district in the region:

- (1) The area of the district measured in square miles;
- (2) The district's average daily membership;
- (3) The total number of authorized FTE's transported by the district;
- (4) The total number of authorized FTE's transported by the district in the handicapped, shared time special education, and to and from board and lodging facility transportation categories as a percentage of the total number of authorized FTE's transported by the district;
- (5) The number of authorized FTE's transported by the district in the board and lodging transportation category as a percentage of the total number of authorized FTE's transported by the district;
- (6) The number of authorized FTE's transported by the district in the between schools transportation category as a percentage of the total number of authorized FTE's transported by the district;
- (7) The number of authorized FTE's transported by the district in the shared time regular transportation category as a percentage of the total number of authorized FTE's transported by the district;
- (8) The number of authorized FTE's transported by the district in the secondary vocational center transportation category as a percentage of the total number of authorized FTE's transported by the district;
- (9) The number of authorized FTE's per square mile transported by the

district in the regular transportation category;

(10) The number of authorized FTE's per square mile transported by the district in the handicapped transportation category;

(11) The number of authorized FTE's transported by the district in the regular transportation category as a percentage of the district's average daily membership;

(12) An index of the district's shape computed by the department of education based on a comparison of the perimeter of the district to the perimeter of a circle with the same square mile area as the district;

(13) The percentage of the district's square mile area which is classified by the state planning agency as water-covered or marshland;

(14) The number of 40 acre parcels of land in the district which are contiguous to or intersected by unpaved roads, as a percentage of the number of 40 acre parcels of land in the district which are contiguous to or intersected by any roads, paved or unpaved. The number of 40 acre parcels of each type shall be obtained from the state planning agency;

(15) The percentage of the district's square mile area which is classified by the state planning agency as having a slope of land exceeding six percent;

(16) The number of authorized FTE's transported to nonpublic schools by the district in the regular transportation category as a percentage of the total number of authorized FTE's transported by the district in the regular transportation category.

(17) *The percentage of the district's square mile area which is classified by the state planning agency as extractive.*

Sec. 8. Minnesota Statutes 1980, Section 124.225, Subdivision 5, is amended to read:

Subd. 5. [1981-1982 INFLATION FACTOR.] The total authorized predicted cost per FTE determined for a district under subdivision 2 for ~~1977-1978~~ 1979-1980 shall be increased by ~~27~~ 28 percent.

Sec. 9. Minnesota Statutes 1980, Section 124.225, Subdivision 6, is amended to read:

Subd. 6. The total authorized predicted cost per weighted FTE determined for a district under subdivision 3 for ~~1978-1979~~ 1980-1981 shall be increased by ~~29~~ 25 percent.

Sec. 10. Minnesota Statutes 1980, Section 124.225, Subdivision 7a, is amended to read:

Subd. 7a. (1) Each district's adjusted total authorized predicted cost per weighted FTE determined for ~~the 1980-1981 school year and each school year thereafter~~ according to ~~subdivision~~ subdivisions 5 or 6, as applicable, shall be compared to the total actual expenditure per weighted FTE for authorized transportation for that district for that year to determine the district's aid entitlement per weighted FTE for that year.

(2) If the adjusted total authorized predicted cost per weighted FTE is greater than the district's actual authorized expenditure per weighted FTE, its aid

entitlement per weighted FTE shall equal the adjusted predicted cost per weighted FTE minus 20 percent of the first \$10 of difference between the adjusted total authorized predicted cost per weighted FTE and the actual expenditure per weighted FTE; minus 40 percent of the next \$10; 60 percent of the next \$10; minus 75 percent of the difference which exceeds \$30.

(3) If the adjusted total authorized predicted cost per weighted FTE is less than the district's actual authorized expenditure per weighted FTE, its aid entitlement per weighted FTE shall equal the adjusted total authorized predicted cost per weighted FTE plus 20 percent of the first \$10 of difference between the adjusted predicted cost per weighted FTE and the actual expenditure per weighted FTE; plus 40 percent of the next \$10; plus 60 percent of the next \$10; plus 75 percent of the difference which exceeds \$30.

Sec. 11. Minnesota Statutes 1980, Section 124.225, Subdivision 8a, is amended to read:

Subd. 8a. [AID COMPUTATION.] A district's aid pursuant to this section for ~~the 1980-1981~~ *each* school year ~~and each year thereafter~~ shall equal the district's aid entitlement per weighted FTE determined according to subdivision 7a times the total number of authorized weighted FTE's transported in the district in that school year, minus the amount raised by one mill times the adjusted assessed valuation which is used to compute the transportation levy limitation for the levy attributable to that school year.

Sec. 12. Minnesota Statutes 1980, Section 124.225, Subdivision 8b, is amended to read:

Subd. 8b. [EXCESS HANDICAPPED AID.] (a) In addition to the amount authorized in subdivision 8a, for ~~the 1980-1981~~ *each* school year, the state shall pay aid for the excess costs of providing transportation for handicapped students as provided in this subdivision to a district where:

- (1) the average daily membership in that year is 2,500 or fewer pupils,
- (2) the total actual authorized expenditures exceed the aid entitlement, and
- (3) the actual authorized expenditure per weighted FTE in the handicapped and board and lodging categories exceeds 140 percent of the aid entitlement per weighted handicapped and board and lodging FTE.

(b) This aid shall equal 80 percent of the difference between:

(1) the *district's* actual authorized ~~expenditure per weighted expenditures for~~ transporting handicapped and board and lodging ~~FTE FTE's~~ and

(2) 140 percent of the *district's* aid entitlement ~~per weighted for transportation of~~ handicapped and board and lodging ~~FTE FTE's~~.

(3) For purposes of the computation of aid pursuant to this subdivision, the amounts of the actual authorized expenditure and the aid entitlement shall exclude amounts attributable to depreciation. Aid pursuant to this subdivision shall not exceed the difference between the district's total actual authorized expenditures and its total aid entitlement.

Sec. 13. Minnesota Statutes 1980, Section 124.225, Subdivision 9, is amended to read:

Subd. 9. [REPORTS.] Each district shall report to the department before

July 1 of each year an estimate for the next school year of the total number of FTE's transported by transportation category and an estimate of the district's total actual authorized transportation expenditure by transportation category. The district's aid shall be determined for purposes of the first three transportation aid payments for the school year using these estimates. ~~Before August 15, 1980, each district shall provide the department with the information for the 1979-1980 school year which the department determines is necessary to compute the district's actual authorized expenditure per FTE for purposes of the computation in subdivision 7 and the district's actual total number of FTE's transported for purposes of the aid computation in subdivision 8.~~ Before August 15, 1981, and each August 15 thereafter year, each district shall provide the department with the information for the preceding school year which the department determines is necessary to compute the district's actual authorized expenditure per weighted FTE for purposes of the computation in subdivision 7a and the district's actual total number of weighted FTE's transported for purposes of the aid computation in subdivision 8a. The district's final transportation aid payment for the school year shall be based on these computations.

Sec. 14. Minnesota Statutes 1980, Section 124.225, Subdivision 11, is amended to read:

Subd. 11. Except as may be otherwise authorized by the commissioner to accommodate a flexible school year program, *for fiscal years through 1982*, the state shall pay to each school district 30 percent of its estimated school transportation aid entitlement for the fiscal year on or before each of the following dates: August 31, December 31, and March 31. The final aid distribution to each district shall be made on or before October 31 of the following fiscal year.

Sec. 15. Minnesota Statutes 1980, Section 124.225, is amended by adding a subdivision to read:

Subd. 11a. [PAYMENT SCHEDULE.] Except as may be otherwise authorized by the commissioner to accommodate a flexible school year program, starting in fiscal year 1983, the state shall pay each school district its estimated school transportation aid entitlement for the fiscal year according to the following schedule: 30 percent on or before August 31; 30 percent on or before December 31; and 25 percent on or before March 31. The final aid distribution to each district shall be made on or before October 31 of the following fiscal year.

Sec. 16. [REPEALER.] Minnesota Statutes 1980, Section 124.225, Subdivisions 4, 7 and 8 are repealed.

Sec. 17. [APPROPRIATION.]

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

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

\$125,976,000	1982
\$130,844,400	1983

(a) The appropriation for 1982 includes \$10,933,000 for aid for fiscal year

1981 payable in fiscal year 1982 and \$115,043,000 for aid for fiscal year 1982 payable in fiscal year 1982.

(b) The appropriation for 1983 includes \$12,749,000 for aid for fiscal year 1982 payable in fiscal year 1983 and \$118,096,400 for aid for fiscal year 1983 payable in fiscal year 1983.

Subd. 3. Any unexpended balance remaining from the appropriation in this section for 1982 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 any purposes indicated is insufficient, the aid for that year shall be prorated among all qualifying districts. The state shall not be obligated for any amounts in excess of the total appropriations in this section.

ARTICLE III

SPECIAL EDUCATION

Section. 1. Minnesota Statutes 1980, Section 120.17, Subdivision 1a, is amended to read:

Subd. 1a. (a) In the 1981-1982 and 1982-1983 school years, school districts may provide special instruction and services through the school year in which the pupil reaches age 25 for trainable mentally retarded pupils as defined in section 120.03, subdivision 4, who have attended public school less than nine years.

(b) In the 1983-1984 school year, school districts may provide special instruction and services through the school year in which the pupil reaches age 24 for trainable mentally retarded pupils as defined in section 120.03, subdivision 4.

(c) In the 1984-1985 school year, school districts may provide special instruction and services through the school year in which the pupil reaches age 23 for trainable mentally retarded pupils as defined in section 120.03, subdivision 4.

(d) In the 1985-1986 school year, school districts may provide special instruction and services through the school year in which the pupil reaches age 22 for trainable mentally retarded pupils as defined in section 120.03, subdivision 4.

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

(f) This subdivision shall expire on June 30, ~~1983~~ 1986.

Sec. 2. Minnesota Statutes 1980, Section 120.17, Subdivision 3b, is amended to read:

Subd. 3b. [PROCEDURES FOR DECISIONS.] Every district shall utilize at least the following procedures for decisions involving identification, assessment and educational placement of handicapped children:

(a) Parents and guardians shall receive prior written notice of: (1) any proposed formal educational assessment or proposed denial of a formal educational assessment of their child; (2) a proposed placement of their child in, transfer from or to or denial of placement in a special education program; or (3) the proposed provision, addition, denial or removal of special education services for their child;

(b) The district shall not proceed with the initial formal assessment of a child, the initial placement of a child in a special education program or the initial provision of special education services for a child without the prior written consent of the child's parent or guardian; provided the refusal of a parent or guardian to provide this consent may be overridden by the decision in a hearing held pursuant to clause (d) at the district's initiative after at least one attempt to obtain this consent through a conciliation conference held pursuant to clause (c);

(c) Parents and guardians shall have an opportunity to meet with appropriate district staff in at least one conciliation conference if they object to any proposal of which they are notified pursuant to clause (a);

(d) Parents, guardians and the district shall have an opportunity to obtain an impartial due process hearing initiated and conducted in the school district where the child resides, if after at least one conciliation conference the parent or guardian continues to object to: (1) a proposed formal educational assessment or proposed denial of a formal educational assessment of their child; (2) the proposed placement of their child in, or transfer of their child to a special education program; (3) the proposed denial of placement of their child in a special education program or the transfer of their child from a special education program; (4) the proposed provision or addition of special education services for their child; or (5) the proposed denial or removal of special education services for their child.

The hearing shall take place before an impartial hearing officer mutually agreed to by the school board and the parent or guardian. If the school board and the parent or guardian are unable to agree on a hearing officer, the school board shall request the commissioner to appoint a hearing officer. The hearing officer shall not be a school board member or employee of the school district where the child resides or of the child's school district of residence, an employee of any other public agency involved in the education or care of the child, or any person with a personal or professional interest which would conflict with his objectivity at the hearing. A person who otherwise qualifies as a hearing officer is not an employee of the district solely because the person is paid by the district to serve as a hearing officer. If the hearing officer requests an independent educational assessment of a child, the cost of the assessment shall be at district expense. The proceedings shall be recorded and preserved, at the expense of the school district, pending ultimate disposition of the action.

(e) The decision of the hearing officer pursuant to clause (d) shall be rendered not more than 45 calendar days from the date of the receipt of the request for the hearing. A hearing officer may grant specific extensions of time beyond the 45 day period at the request of either party. The decision of the hearing officer shall be binding on all parties unless appealed to the commissioner by the parent, guardian, or the school board of the district where the child resides pursuant to clause (f).

The local decision shall:

(1) be in writing;

(2) state the controlling facts upon which the decision is made in sufficient detail to apprise the parties and the commissioner of the basis and reason for the decision;

(3) state whether the special education program or special education services appropriate to the child's needs can be reasonably provided within the resources available to the responsible district or districts;

(4) state the amount and source of any additional district expenditure necessary to implement the decision; and

(5) be based on the standards set forth in subdivision 3a and the rules of the state board.

(f) Any local decision issued pursuant to clauses (d) and (e) may be appealed to the commissioner within 15 calendar days of receipt of that written decision, by the parent, guardian, or the school board of the district where the child resides.

If the decision is appealed, a written transcript of the hearing shall be made by the school district and shall be accessible to the parties involved within five calendar days of the filing of the appeal. The commissioner shall issue a final decision based on an impartial review of the local decision and the entire record within 30 calendar days after the filing of the appeal. The commissioner shall seek additional evidence if necessary and may afford the parties an opportunity for written or oral argument; provided any hearing held to seek additional evidence shall be an impartial due process hearing but shall be deemed not to be a contested case hearing for purposes of chapter 15. The commissioner may grant specific extensions of time beyond the 30 day period at the request of any party.

The final decision shall:

(1) be in writing;

(2) include findings and conclusions; and

(3) be based upon the standards set forth in subdivision 3a and in the rules of the state board.

(g) The decision of the commissioner shall be final unless appealed by the parent or guardian or school board to the district court of the county in which the school district in whole or in part is located. The scope of judicial review shall be as provided in chapter 15.

(h) Pending the completion of proceedings pursuant to this subdivision, unless the district and the parent or guardian of the child agree otherwise, the

child shall remain in his current educational placement and shall not be denied initial admission to school.

(i) The child's school district of residence, if different from the district where the child actually resides, shall receive notice of and may be a party to any hearings or appeals pursuant to this subdivision.

(j) ~~This subdivision shall expire on June 30, 1981. The department of education shall report to the education committees of the legislature on or before January 1, 1981, on the impact of the amendments made in this subdivision by Laws 1979, Chapter 334 and on the advisability of amending this subdivision to read as it reads in Minnesota Statutes 1978.~~

Sec. 3. Minnesota Statutes 1980, Section 120.17, Subdivision 4, is amended to read:

Subd. 4. [SPECIAL INSTRUCTIONS FOR NON-RESIDENT CHILDREN.] When a school district provides instruction and services outside the district of residence, board and lodging, and any tuition to be paid, shall be paid by the district of residence. ~~Transportation costs shall be paid by the district providing the transportation, and the state shall reimburse the district within the limits provided by law.~~ The tuition rate to be charged for any handicapped child shall be the actual cost of providing special instruction and services to the child including a proportionate amount for capital outlay and debt service but not including any amount for transportation, minus the amount of special aid for handicapped children received on behalf of that child. If the boards involved do not agree upon the tuition rate, either board may apply to the commissioner to fix the rate. The commissioner shall then set a date for a hearing, giving each board at least ten days' notice, and after the hearing the commissioner shall make his order fixing the tuition rate, which shall be binding on both school districts.

When a district provides instruction and services in a day program outside the district of residence, the district of residence shall be responsible for providing transportation. When a district provides instruction and services requiring board and lodging or placement in a residential program outside the district of residence, the nonresident district of attendance shall be responsible for providing transportation. Transportation costs shall be paid by the district responsible for providing transportation and the state shall reimburse that district within the limits provided by law.

For the purposes herein, any school district may enter into an agreement, upon such terms and conditions as may be mutually agreed upon, to provide special instruction and services for handicapped children. In that event, one of the participating units may employ and contract with necessary qualified personnel to offer services in the several districts, and each participating unit shall reimburse the employing unit a proportionate amount of the actual cost of providing the special instruction and services, less the amount of state special education aid, which shall be claimed in full by the employing district.

Sec. 4. Minnesota Statutes 1980, Section 120.17, Subdivision 5a, is amended to read:

Subd. 5a. [SUMMER PROGRAMS.] ~~Every~~ A district may provide summer programs for handicapped children living within the district, ~~including and~~ nonresident children temporarily placed in the district pursuant to subdivisions

6 or 7. Prior to March 31 or 30 days after the handicapped child is placed in the district, whichever is later, the providing district shall give notice to the district of residence of any nonresident children temporarily placed in the district pursuant to subdivisions 6 or 7, of its intention to provide these programs. Notwithstanding any contrary provisions in subdivisions 6 and 7, the school district providing the special instruction and services shall apply for ~~all state aid for the summer program, including special state education aid pursuant to section 124.32, and foundation aid and transportation aid for the summer program.~~ For the purposes of computing foundation aid for these programs, all pupils enrolled in these programs shall be construed to be residents of the district providing the programs. The unreimbursed actual cost of providing the program for nonresident handicapped children, *including the cost of board and lodging*, may be billed to the district of the child's residence and shall be paid by the resident district. *Transportation costs shall be paid by the district responsible for providing transportation pursuant to subdivisions 6 or 7 and the state shall reimburse that district within the limits provided by law.*

Sec. 5. Minnesota Statutes 1980, Section 120.17, Subdivision 6, is amended to read:

Subd. 6. [PLACEMENT IN ANOTHER DISTRICT; RESPONSIBILITY.] The responsibility for special instruction and services for a handicapped child temporarily placed in another district for care and treatment shall be determined in the following manner:

(a) The school district of residence of ~~such~~ a child shall be the district in which his parent resides, if living, or his guardian, or the district designated by the commissioner of education if neither parent nor guardian is living within the state.

(b) When a child temporarily is placed for care and treatment in a day program located in another district and the child continues to live within the district of residence during the care and treatment, the district of residence is responsible for providing transportation and an appropriate educational program for the child. The district may provide the educational program at a school within the district of residence, at the child's residence, or in the district in which the day treatment center is located by paying tuition to that district.

~~(b)~~ (c) *When a child temporarily is placed in a residential program for care and treatment, the nonresident district in which the child is placed is responsible for providing the instruction ~~shall maintain~~ transportation and an appropriate educational program for such a the child and shall bill the district of the child's residence for the actual cost of providing the program, as outlined in subdivision 4, except that the board, lodging, and treatment costs incurred in behalf of a handicapped child placed outside of the school district of his residence by the commissioner of public welfare or the commissioner of corrections or their agents, for reasons other than for making provision for his special educational needs, shall not become the responsibility of either the district providing the instruction or the district of the child's residence.*

(e) (d) The district of residence shall pay tuition and other program costs, not including transportation costs, to the district providing the instruction and services. The district of residence may claim foundation aid for the child as provided by law. ~~Special~~ Transportation costs shall be paid by the district responsible for providing the transportation and the state shall reimburse the

that district for such costs within the limits provided by law.

Sec. 6. Minnesota Statutes 1980, Section 120.17, Subdivision 7, is amended to read:

Subd. 7. [PLACEMENT IN STATE INSTITUTION; RESPONSIBILITY.] Responsibility for special instruction and services for a handicapped child placed in a state institution on a temporary basis shall be determined in the following manner:

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

(b) When the educational needs of such child can be met through the institutional program, the costs for such instruction shall be paid by the department to which the institution is assigned;

(c) When it is determined that such child can benefit from public school enrollment, provision for such instruction shall be made in the following manner:

(1) Determination of eligibility for special instruction and services shall be made by the commissioner of education and the commissioner of the department responsible for the institution;

(2) The school district where the institution is located shall ~~provide be responsible for providing transportation and~~ an appropriate educational program for the child and shall make a tuition charge to the child's district of residence for the actual cost of providing the program;

(3) The district of the child's residence shall pay the tuition and other program costs ~~including the unreimbursed~~ excluding transportation costs and may claim foundation aid for the child. ~~Special Transportation shall be provided by the district providing the education program costs shall be paid by the district responsible for providing transportation and the state shall reimburse such that district within the limits provided by law.~~

Sec. 7. Minnesota Statutes 1980, Section 120.17, is amended by adding a subdivision to read:

Subd. 11. [TRANSPORTATION AID AGREEMENTS.] *Notwithstanding the provisions of subdivisions 4, 5a, and 6, when a child receives special instruction and services in a day program outside the resident district, the resident district and the nonresident district of attendance or placement may enter into an agreement providing for the nonresident district to pay the cost of any particular transportation categories specified in section 124.225, subdivision 1, and claim transportation aid for those categories. In this case, the nonresident district may not obtain any payment from the resident district for the categories covered by the agreement.*

Sec. 8. [121.201] [HEARING IMPAIRED EDUCATIONAL SUPPORT SERVICES.]

Subdivision 1. [RESPONSIBILITY OF BOARD.] *The state board of education shall coordinate support services for hearing impaired persons to assure access to educational opportunities. Services may be provided to adult students who are hearing impaired and (a) have been denied access to educational opportunities because of the lack of support services or (b) are presently*

enrolled or (c) are contemplating enrollment in an educational program and would benefit from support services. The state board shall also be responsible for conducting inservice training for public and private agencies regarding the needs of hearing impaired persons in the adult education system.

Subd. 2. [SUPPORT SERVICES.] The following are support services that may be included in this program:

(a) Interpreter services to provide translation for an individual or a group of students; or

(b) Notetaker services to convert spoken language to written language when the student must maintain visual contact with other persons such as an interpreter or instructor.

Subd. 3. [PROGRAMS INCLUDED.] Support services include:

(a) Local school district adult education programs;

(b) Adult vocational school programs; and

(c) Avocational education programs sponsored by public or private community agencies.

Sec. 9. Minnesota Statutes 1980, Section 123.39, is amended by adding a subdivision to read:

Subd. 14. The board may transport handicapped pupils as defined in section 120.03, subdivision 3, to a hospital or treatment center for the purposes of treatment and instruction when an approved instructional program, as determined by the standards of the state board, is provided at the facility.

Sec. 10. Minnesota Statutes 1980, Section 124.212, Subdivision 9a, is amended to read:

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

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

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

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

agreement.

(d) Notwithstanding the provisions of clause (c), the resident district of a shared time pupil attending shared time classes in another district may grant the district of attendance, upon its request, permission to claim the pupil as a resident for state aid purposes. In this case, state aid shall be paid to the district of attendance and, upon agreement, the district of attendance may bill the resident district for any unreimbursed education costs; ~~including but not for~~ unreimbursed transportation costs. *The agreement may, however, provide for the resident district to pay the cost of any of the particular transportation categories specified in section 124.225, subdivision 1, and in this case, aid for those categories shall be paid to the district of residence rather than to the district of attendance.*

(e) Minutes of enrollment in a public school during which a nonpublic school pupil receives services pursuant to section 123.935 shall not be used in the computation of shared time foundation aid pursuant to this subdivision.

Sec. 11. Minnesota Statutes 1980, 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) Transportation or board of resident pupils who reside one mile or more from the public schools which they could attend, or transportation to, from, or between the schools they attend pursuant to a program approved by the commissioner of education, or who reside one mile or more from a private school actually attended, but only to the extent permitted by sections 123.76 to 123.79 with respect to private school pupils;

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

(3) Transportation 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) 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, *between home and a hospital or treatment center where approved instructional programs are offered*, and within the school plant, necessary transportation of handicapped pupils during the school day to other buildings, *including hospitals and treatment centers, where approved instructional programs are offered* 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 the pupil reside at least one mile from school in order for the transportation to qualify for aid;

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

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

(8) Services described in clauses (1) to (7) and clauses (9) and (10) when provided in conjunction with a state board approved summer school program;

(9) 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) 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. 12. [124.273] [LIMITED ENGLISH PROFICIENCY PROGRAMS AID.]

Subdivision 1. [TEACHERS SALARIES.] Beginning with the 1981-1982 school year, the department shall pay a school district 70 percent of the salary, 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 70 percent of the salary, 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.

Subd. 2. [PROHIBITION.] The department of education shall not pay a school district an amount exceeding 70 percent of the salaries paid to essential instructional personnel employed by the district in its educational program for pupils of limited English proficiency.

Subd. 3. [PARTICIPATION OF NONPUBLIC SCHOOL PUPILS.] In counting the number of pupils of limited English proficiency for purposes of this section, districts may include pupils of limited English proficiency who attend nonpublic schools in the district. A district which counts those pupils and receives aid pursuant to this section shall offer those pupils the same programs on the same terms that it offers to pupils of limited English proficiency who attend the public school. A program provided for a nonpublic school pupil pursuant to this subdivision shall be provided at a public school or a neutral site as defined in section 123.932, subdivision 9. Nonpublic school pupils served by a district's educational program for pupils of limited English proficiency shall be counted for average daily membership pursuant to section 124.212, subdivision 9a.

Subd. 4. [APPLICATION DATES.] (a) A district wishing to receive aid pursuant to this section shall submit an application by October 15, February 15, or June 15 of each year. Aid paid pursuant to this section shall be based on the number of pupils of limited English proficiency enrolled in the district at the

time the district submits its first application or the number of additional such pupils enrolled at the time subsequent applications are submitted.

(b) All applications shall be submitted to the department in the manner prescribed by the commissioner. Each application shall include (1) the number of pupils or additional pupils enrolled who meet the criteria in section 126.262, subdivision 2; (2) the number, dates of hire, full time equivalency, and salaries of essential licensed personnel or additional essential licensed personnel employed in the district's educational program for pupils of limited English proficiency who meet the criteria in section 126.262, subdivision 3; and (3) any other information deemed necessary by the commissioner to implement this section. School districts may submit joint applications for aid pursuant to this section and may share essential instructional personnel employed in educational programs for pupils of limited English proficiency.

Subd. 5. [NOTIFICATION; AID PAYMENTS.] The department shall inform each applicant district of the amount of aid it will receive pursuant to this section within a month after the application deadline, and the department shall pay the aid within 15 days after notifying the district that it will receive aid. Beginning with the 1982-1983 school year, 15 percent of the aid shall be withheld until the final aid distribution to each district made on or before October 31 of the following school year.

Subd. 6. [RECORDS; AUDIT.] A district which applies for aid pursuant to this section shall maintain records which support the information contained in all of its applications. The commissioner of education may audit these records upon request. A district which receives aid pursuant to this section shall keep such additional records in the manner prescribed by the commissioner to ensure that an educational program for pupils of limited English proficiency is implemented and operated in accordance with sections 126.261 to 126.269.

Subd. 7. [MONEY FROM OTHER SOURCES.] A school district providing a program for pupils of limited English proficiency shall be eligible to receive moneys for these programs from other government agencies and from private sources when these moneys are available.

Sec. 13. Minnesota Statutes 1980, Section 124.32, Subdivision 1, is amended to read:

Subdivision 1. The state shall pay to any district for the employment in its educational program for handicapped children the greater of:

(1) (a) 69 percent of the salary of essential personnel, but this amount shall not exceed \$12,000 for the normal school year for each full time person employed, or a pro rata amount for a part time person or a person employed for a limited time, whether the essential personnel are employed by a district alone or jointly with another district; plus

(b) five percent of the salaries of essential personnel employed in its educational program for handicapped children, for the purpose of recognizing additional support costs of educational programs for handicapped children; or

(2) 70 percent of the salary of essential personnel 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.

(3) A district shall receive aid pursuant to only one clause of clauses (1) and (2) for a school year.

Sec. 14. Minnesota Statutes 1980, Section 124.32, Subdivision 6, is amended to read:

Subd. 6. [FULL STATE PAYMENT.] The state shall pay each district the actual cost incurred in providing instruction and services for a handicapped child whose district of residence has been determined by section 120.17, subdivision 8a, and who is temporarily placed in a state institution or a licensed residential facility for care and treatment. This section does not apply for a child placed in a foster home or a foster group home.

Upon following such the procedure as requested specified by the commissioner of education a, the district providing instruction and services for such handicapped child may bill the state the actual cost incurred in providing said the services including transportation costs and a proportionate amount of capital outlay and debt service, minus the amount of the foundation aid formula allowance for the child and the special education aid, transportation aid, and any other aid earned in behalf of such child; such action pursuant to limits. The limit set forth in subdivision 4 shall apply to aid paid pursuant to this subdivision.

To the extent possible, the commissioner shall obtain reimbursement from another state for the cost of serving any child whose parent or guardian resides in that state. The commissioner may contract with the appropriate authorities of other states to effect reimbursement. All money received from other states shall be paid to the state treasury and placed in the general fund.

Sec. 15. Minnesota Statutes 1980, Section 124.32, Subdivision 9, is amended to read:

Subd. 9. Except as may be otherwise authorized by the commissioner to accommodate a flexible school year program, for school years through 1981-1982, the state shall pay to each school district 30 percent of its estimated special education aid for the school year on or before each of the following dates: September 30, December 31 and March 31. The final aid distribution to the district shall be made on or before October 31 of the following year.

Sec. 16. Minnesota Statutes 1980, Section 124.32, is amended by adding a subdivision to read:

Subd. 9a. [PAYMENT SCHEDULE.] Except as may be otherwise authorized by the commissioner to accommodate a flexible school year program, starting in school year 1982-1983, the state shall pay each school district its estimated special education aid for the school year according to the following schedule: 30 percent by August 31; 30 percent by December 31; and 25 percent by March 31. The final aid distribution to each district shall be made by October 31 of the following school year.

Sec. 17. Minnesota Statutes 1980, Section 126.262, Subdivision 8, is amended to read:

Subd. 8. "Educational program for pupils of limited English proficient students proficiency" means an English as a second language program, bilingual education program, or both an English as a second language and a bilingual education program.

Sec. 18. Minnesota Statutes 1980, Section 126.54, Subdivision 1, is amended to read:

Subdivision 1. [GRANTS; PROCEDURES.] For fiscal year ~~1984~~ years 1982 and 1983, the state board of education shall make grants to no fewer than six school year ~~pilot~~ American Indian language and culture education programs. At least three ~~pilot~~ programs shall be in urban areas and at least three shall be on or near reservations. The board of a local district, a participating school or a group of boards may develop a proposal for grants in support of ~~pilot~~ American Indian language and culture education programs. Proposals may provide for contracts for the provision of program components by non-sectarian nonpublic, community, tribal or alternative schools. The state board shall prescribe the form and manner of application for grants, and no grant shall be made for a proposal not complying with the requirements of sections 126.45 to 126.55. The state board shall submit all proposals to the state advisory task force on American Indian language and culture education programs for its recommendations concerning approval, modification, or disapproval and the amounts of grants to approved programs.

Sec. 19. [REPEALER.]

Minnesota Statutes 1980, Section 120.17, Subdivision 3c; and 126.263 are repealed.

Sec. 20. [SPECIAL AND COMPENSATORY EDUCATION AID; APPROPRIATION.]

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

Subd. 2. *For aid to educational programs for pupils of limited English proficiency there is appropriated:*

- | | |
|------------------|--|
| (a) \$ 3,025,195 | <i>for aid for fiscal year 1982
payable in fiscal year 1982; and</i> |
| (b) \$ 3,612,945 | <i>for aid for fiscal year 1983
payable in fiscal year 1983.</i> |

Any unexpended balance remaining from the appropriations in this subdivision for fiscal year 1982 shall cancel and shall not be available for the second year of the biennium. None of the amounts appropriated in this subdivision shall be expended for a purpose other than the purpose indicated.

Subd. 3. [SPECIAL AND COMPENSATORY EDUCATION AIDS; APPROPRIATION.] *For special education aid in 1982 there is appropriated:*

- | | |
|------------------|--|
| (a) \$93,908,820 | <i>for aid for fiscal year 1982
payable in fiscal year 1982;</i> |
| (b) \$8,670,700 | <i>for the payment of the final special
education aid distribution to each
district for fiscal year 1981,
payable in fiscal year 1982;</i> |
| (c) \$ 4,500,000 | <i>for special education aid for 1981
summer school programs payable in
fiscal year 1982; and</i> |
| (d) \$ 578,000 | <i>for aid pursuant to section 124.32,
subdivision 5, payable in</i> |

fiscal year 1982.

Any unexpended balance remaining from the appropriations in this subdivision for fiscal year 1982 shall cancel and shall not be available for the second year of the biennium. None of the amounts appropriated in clauses (a), (b), (c) or (d) of this subdivision shall be expended for a purpose other than the purpose indicated by that clause.

Subd. 4. For special education aid in 1983 there is appropriated:

- (a) \$96,579,050 for aid for fiscal year 1983 payable in fiscal year 1983;*
- (b) \$10,434,310 for the payment of the final special education aid distribution to each district for fiscal year 1982, payable in fiscal year 1983;*
- (c) \$ 4,887,000 for special education aid for 1982 summer school programs payable in fiscal year 1983; and*
- (d) \$ 630,600 for aid pursuant to section 124.32, subdivision 5, payable in fiscal year 1983.*

None of the amounts appropriated in clauses (a), (b), (c) or (d) shall be expended for a purpose other than the purpose indicated by that clause.

Subd. 5. For grants to American Indian language and culture education programs pursuant to section 126.54, subdivision 1, there is appropriated:

- (a) \$ 525,000 for 100 percent of grant aid for fiscal year 1982 payable in fiscal year 1982; and*
- (b) \$ 446,250 for 85 percent of grant aid for fiscal year 1983 payable in fiscal year 1983.*

Any unexpended balance remaining from the appropriation in this subdivision for fiscal year 1982 shall cancel and shall not be available for the second year of the biennium. None of the amounts appropriated in this subdivision shall be expended for a purpose other than the purpose indicated.

Subd. 6. For payment of support services for hearing impaired persons pursuant to section 8 of this article there is appropriated:

- (a) \$ 40,000 for fiscal year 1982; and*
- (b) \$ 60,000 for fiscal year 1983.*

Subd. 7. If the appropriation amount in subdivisions 2, 3, 4 and 5 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.

ARTICLE IV

COMMUNITY AND ADULT EDUCATION

Section 1. Minnesota Statutes 1980, Section 124.26, Subdivision 1, is

amended to read:

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

Sec. 2. Minnesota Statutes 1980, Section 124.26, Subdivision 4, is amended to read:

Subd. 4. [PAYMENT SCHEDULE THROUGH 1982.] *For fiscal years through 1982, the state shall pay to each school district 30 percent of its estimated adult education aid entitlement for the fiscal year on or before each of the following dates: August 31, December 31, and March 31. The final aid distribution to each district shall be made on or before by October 31 of the following fiscal year.*

Sec. 3. Minnesota Statutes 1980, Section 124.26, is amended by adding a subdivision to read:

Subd. 5. [PAYMENT SCHEDULE.] *Starting in fiscal year 1983, the state shall pay to each school district its estimated adult education aid entitlement according to the following schedule: 30 percent by August 31; 30 percent by December 31; and 25 percent by March 31. The final aid distribution to each district shall be made by October 31 of the following fiscal year.*

Sec. 4. Minnesota Statutes 1980, Section 124.271, Subdivision 2, is amended to read:

Subd. 2. ~~In fiscal year 1981 and each year thereafter,~~ *In fiscal years 1982 and 1983 the state shall pay the greater of 75 65 cents per capita or \$7,000 \$6,100 to each school district which is operating a community education program in compliance with the rules promulgated by the state board and which has levied at least the lesser of \$1 per capita or \$1 per capita reduced by any deduction to the community service levy made pursuant to section 275.125, subdivision 9, clause (2), for use in that year.*

Sec. 5. Minnesota Statutes 1980, Section 124.271, is amended by adding a subdivision to read:

Subd. 2a. *Beginning in fiscal year 1984, each district which is operating a community education program in compliance with the rules promulgated by the state board and which has levied pursuant to section 275.125, subdivision*

8, shall receive in state aid the greater of the following:

(a) \$5 per capita minus the amount raised by .9 mill times the adjusted assessed valuation used to compute the community education levy limitation for the levy attributable to that school year; or

(b) 75 cents per capita; or

(c) \$7,000.

Provided, however, that the amount of aid shall not exceed the amount certified pursuant to section 275.125, subdivision 8. For purposes of computing the aid limitation pursuant to this subdivision, the amount certified pursuant to section 275.125, subdivision 8, shall not reflect reductions pursuant to section 275.125, subdivision 9.

Sec. 6. Minnesota Statutes 1980, Section 124.271, Subdivision 4, is amended to read:

Subd. 4. Each district providing community education programs pursuant to sections 121.85 to 121.88 shall establish and maintain accounts separate from all other district accounts for the receipt and disbursement of all funds related to these community education programs. All funds received pursuant to this section and to the levy authorized in section 275.125, subdivision 8, shall be utilized solely for the purposes of community education programs. *These funds may be used to reimburse G.E.D. testing centers for each battery of G.E.D. tests or each individual test administered by that center.*

Sec. 7. Minnesota Statutes 1980, Section 124.271, Subdivision 5, is amended to read:

Subd. 5. [PAYMENT SCHEDULE THROUGH 1982.] All community education programs aid shall be distributed by the state aids, statistics and research section of the state department of education. *For fiscal years through 1982 aid shall be distributed prior to November 1 each year.*

Sec. 8. Minnesota Statutes 1980, Section 124.271, is amended by adding a subdivision to read:

Subd. 6. [PAYMENT SCHEDULE.] *Starting in fiscal year 1983, the state shall pay to each school district 85 percent of its community education program aid for the current fiscal year prior to November 1. The final 15 percent aid distribution to each district shall be made prior to November 1 of the following fiscal year.*

Sec. 9. Minnesota Statutes 1980, Section 275.125, Subdivision 8, is amended to read:

Subd. 8. (1) *In 1981* a district which has established a community education advisory council pursuant to section 121.88, may levy an amount of money raised by the greater of (A) ~~\$2.50~~ \$3 per capita, or (B) 110 percent of the amount certified pursuant to this subdivision in ~~1976~~ 1980. These levies shall be used for community services including nonvocational adult programs, recreation and leisure time activity programs, and programs contemplated by sections 121.85 to 121.88. For purposes of computing the levy limitation pursuant to this subdivision, the amount certified pursuant to this subdivision in ~~1976~~ 1980 shall not reflect reductions pursuant to subdivision 9.

(2) *Except as provided in clauses (3) and (4), in 1982, and each year*

thereafter, a district which has established a community education advisory council pursuant to section 121.88, may levy the amount raised by .9 mill times the most recent adjusted assessed valuation of the district, but no more than \$5 times the population of the district. This amount shall be reduced to \$4.25 per capita for districts which receive aid of 75 cents per capita pursuant to section 124.271, subdivision 2a, clause (b).

(3) Districts which had revenue in 1983 from community education aid and levy in excess of \$5 times the population of the district, may levy the amount of the 1983 revenue less \$5 times the population of the district in addition to the amount in clause (2).

(4) Districts which receive aid pursuant to section 124.271, subdivision 2a, clause (c) may levy the amount of their 1983 revenue from community education aid and levy minus \$7,000.

(2) (5) A school district shall be authorized to make a levy pursuant to this subdivision only after it has filed a certificate of compliance with the commissioner of education. 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 make a levy pursuant to this subdivision.

(3) (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. [REPEALER.]

Minnesota Statutes 1980, Sections 124.26, Subdivision 3, and 124.271, Subdivision 1a, are repealed.

Sec. 11. [APPROPRIATIONS.]

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

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

\$1,128,200	1982,
\$1,242,400	1983.

The amount appropriated for fiscal year 1982 includes \$97,800 for aid for fiscal year 1981 payable in fiscal year 1982, and \$1,030,400 for aid for fiscal year 1982 payable in fiscal year 1982.

The amount appropriated for fiscal year 1983 includes \$114,500 for aid for fiscal year 1982 payable in fiscal year 1983, and \$1,127,900 for aid for fiscal year 1983 payable in fiscal year 1983.

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

\$3,530,000	1982,
\$3,200,000	1983.

Subd. 4. Any unexpended balance remaining from the appropriation in this section for 1982 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.

ARTICLE V

VOCATIONAL AID

Section 1. Minnesota Statutes 1980, Section 121.902, is amended by adding a subdivision to read:

Subd. 1a. By July 1, 1982, the council shall recommend to the state board uniform property accounting and reporting standards for area vocational-technical institutes. The state board shall adopt and maintain uniform property accounting and reporting standards for area vocational-technical institutes to account and report individual property records for fixed assets. These standards shall include provisions for date of acquisition, historical cost, depreciated value, expected useful life, and replacement cost.

Sec. 2. Minnesota Statutes 1980, Section 121.931, Subdivision 6, is amended to read:

Subd. 6. [DATA STANDARDS.] The state board shall adopt rules containing standards for financial, property, student and ~~payroll/personnel~~ personnel/payroll data and any other data included in ESV-IS. For financial data, the uniform financial accounting and reporting standards adopted pursuant to section 121.902, subdivision 1, shall satisfy the requirement of this subdivision. For property data, the uniform property accounting and reporting standards adopted pursuant to section 1 of this article shall satisfy the requirement of this subdivision. The state board shall consider the recommendations of the advisory task forces on uniform data standards for student reporting and ~~payroll/personnel~~ personnel/personnel/payroll reporting and the ESV computer council in adopting the standards for student data and ~~payroll/personnel~~ personnel/payroll data. The state board shall ensure that the standards for different types of data are consistent with each other, and for this purpose shall consider the recommendations of the advisory task forces on uniform data standards for student reporting and personnel/payroll reporting, the advisory council on uniform financial accounting and reporting standards, and the ESV computer council. The data standards for each type of data shall include:

(a) A standard set of naming conventions for data elements;

(b) A standard set of data element definitions; and

(c) A standard transaction processing methodology which uses the defined data elements, specifies mathematical computations on those data elements and specifies output formats.

The state board, with the advice and assistance of the ESV computer council,

shall monitor and enforce compliance with the data standards.

Sec. 3. Minnesota Statutes 1980, Section 121.934, Subdivision 7, is amended to read:

Subd. 7. [ADVISORY DUTIES.] (a) Pursuant to section 121.931, the ESV computer council shall advise and assist the state board in:

- (1) the development of the long range plan and the systems architecture plan;
- (2) the development of applications software for ESV-IS and SDE-IS;
- (3) the approval of the creation and alteration of regional management information centers;
- (4) the approval of the use by districts of alternative management information systems;
- (5) the statewide applicability of alternative management information systems proposed by districts; and
- (6) the approval of annual and biennial plans and budgets of regional management information centers; and
- (7) the monitoring and enforcement of compliance with data standards.

(b) The council shall also review the data standards recommended by the council on uniform financial accounting and reporting standards and the advisory task forces on uniform standards for student reporting and personnel/payroll reporting and make recommendations to the state board concerning:

- (1) the consistency of the standards for finance, *property*, student and personnel/payroll data with one another;
- (2) the implications of the standards for implementation of ESV-IS and SDE-IS; and
- (3) the consistency of the standards with the systems architecture plan and the long-range plan.

(c) Pursuant to section 121.932, the council shall advise the department in the development and operation of SDE-IS.

Sec. 4. Minnesota Statutes 1980, Section 121.935, Subdivision 2, is amended to read:

Subd. 2. [DUTIES.] Every regional management information center shall:

(a) Assist its affiliated districts in complying with the reporting requirements of the annual data acquisition calendar and the rules of the state board of education;

(b) Respond within 15 calendar days to requests from the department for information based on the data elements in the data element dictionary;

(c) Operate financial management information systems consistent with the uniform financial accounting and reporting standards for Minnesota school districts adopted by the state board pursuant to sections 121.90 to ~~121.92~~ 121.917;

(d) Make available to districts the opportunity to participate fully in all the subsystems of ESV-IS;

(e) Before July 1, 1981, develop a plan for the provision of services during a system failure or a disaster;

(f) ~~Beginning in 1981,~~ Comply with the requirement in section 121.908, subdivision 2, on behalf of districts affiliated with it; and

(g) *Operate fixed assets property management information systems consistent with the uniform property accounting and reporting standards for Minnesota area vocational-technical institutes adopted by the state board pursuant to section 1 of this article.*

Sec. 5. Minnesota Statutes 1980, Section 121.935, Subdivision 6, is amended to read:

Subd. 6. [FEES.] Regional management information centers may charge fees to affiliated districts. A district which submits financial transactions to the center in summary form pursuant to section 121.936, subdivision 1, or which uses an approved alternative ~~financial~~ management information system pursuant to section 121.936, subdivisions 2 to 4, may apply to the commissioner to set the fee if the district and the center cannot agree on a fee. The commissioner shall issue an order setting the fee, which shall be binding on both the center and the district.

Sec. 6. Minnesota Statutes 1980, Section 121.936, is amended by adding a subdivision to read:

Subd. 1a. [MANDATORY AVTI PARTICIPATION.] (a) *By July 1, 1983, every area vocational-technical institute shall perform property accounting and reporting operations on a fixed assets property management accounting and reporting system utilizing fixed assets categories defined in accordance with the uniform property accounting and reporting standards adopted by the state board pursuant to section 1 of this article.*

(b) *Every area vocational-technical institute shall use the ESV-IS fixed assets property subsystem through the regional management information center to perform property accounting and reporting operations required by clause (a), and to provide data to the center pursuant to the data acquisition calendar.*

Sec. 7. Minnesota Statutes 1980, Section 121.936, Subdivision 2, is amended to read:

Subd. 2. [ALTERNATIVE ~~FINANCIAL~~ MANAGEMENT INFORMATION SYSTEMS.] After July 1, 1980 a district may be exempted from the requirement in subdivision 1, clause (b) (2), if it receives the approval of the state board to use an alternative financial management information system. A district permitted before July 1, 1980, to submit its financial transactions in summary form to a regional management information center pursuant to subdivision 1 may continue to submit transactions in the approved form without obtaining the approval of the state board pursuant to this subdivision. *A district may be exempted from the requirement in section 6, clause (b) of this article if it receives the approval of the state board to use an alternative fixed assets property management information system.* Any district desiring to use an alternative management information system shall submit a detailed proposal to the state board, the ESV computer council and the regional management information center with which it is affiliated. The detailed proposal shall

include a statement of all costs to the district, regional management information center or state for software development or operational services needed to provide data to the regional management information center pursuant to the data acquisition calendar.

Sec. 8. Minnesota Statutes 1980, Section 121.936, Subdivision 3, is amended to read:

Subd. 3. [ALTERNATIVE ~~FINANCIAL~~ MANAGEMENT INFORMATION SYSTEMS; EVALUATION.] The regional management information center shall evaluate the district proposal according to the approval criteria in section 121.937, subdivision 1. The regional management information center shall submit its evaluation of the district proposal to the state board and the ESV computer council for their consideration in evaluating the proposal.

The ESV computer council shall evaluate the district proposal ~~for cost effectiveness and conformance to the systems architecture plan, the long range plan, and the uniform financial accounting and reporting standards adopted by the state board pursuant to sections 121.90 to 121.92 according to the approval criteria in section 121.937, subdivision 1, clauses (a), (b), and (d).~~ Upon completion of the evaluation, the ESV computer council shall recommend to the state board that it (a) approve the proposal, (b) disapprove the proposal, or (c) approve the proposal if it is modified by the district in ways which are specified by the council.

Sec. 9. Minnesota Statutes 1980, Section 121.937, Subdivision 1, is amended to read:

Subdivision 1. The criteria adopted by the state board for approval of the creation of a regional management information center, the transfer of a school district's affiliation from one regional management information center to another, and the approval of an alternative management information system shall include:

(a) The provisions of the plans adopted by the state board pursuant to section 121.931, subdivisions 3 and 4;

(b) The cost effectiveness of the proposed center, transfer or alternative;

(c) The effect of the proposed center, transfer or alternative on existing regional management information centers; and

(d) Whichever of the following is applicable:

(i) The ability of a proposed center to comply with section 121.935, or the effect of a transfer on a center's ability to comply with section 121.935, or

(ii) The ability of a proposed alternative *financial* management information system to comply with section 121.936, subdivision 1, clauses (a) and (b) (1), or

(iii) *The ability of a proposed alternative fixed assets property management information system to comply with section 121.936, subdivision 1, clause (b) (1), and section 6, clause (a) of this article.*

Sec. 10. Minnesota Statutes 1980, Section 121.938, Subdivision 2, is amended to read:

Subd. 2. Each task force shall report to the legislature, by ~~January~~ + Sep-

tember 1, 1981, recommendations for broad policy standards for school district reporting of student data or ~~payroll/personnel~~ ~~personnell~~ payroll data. Each task force shall recommend to the ESV computer council and the state board specific data standards for student data or personnel/payroll data. These data standards shall be consistent with the uniform financial accounting and reporting standards and the uniform property accounting and reporting standards adopted by the state board pursuant to sections 121.90 to 121.92 121.917.

Sec. 11. Minnesota Statutes 1980, Section 124.11, Subdivision 2a, is amended to read:

Subd. 2a. (a) *Through the 1981-1982 school year*, ninety percent of the estimated post-secondary vocational instructional aid shall be paid to each district in 12 equal monthly payments on the 15th of each month beginning in July 1980. A final payment of the remainder of the post-secondary vocational instructional aid for each fiscal year shall be made to each district in September of the following fiscal year. The September 1980 payment shall be adjusted to reflect any deficit or excess in post-secondary vocational foundation aid received by a district in fiscal year 1980. The September 1981 final payment and the September final payment in each year thereafter shall be adjusted to reflect the actual average daily membership for the previous fiscal year. Beginning with the 1980-1981 school year, 90 percent of The estimated post-secondary vocational instructional aid payments shall be paid on the basis of the department of education's estimates of the current year's average daily membership adjusted for the latest available information in September, December, March and June November, February and May to reflect any increases or decreases in enrollment. The ten percent final payment, adjusted to reflect the actual average daily membership, shall be made to each district in September of the following fiscal year.

(b) *Beginning in the 1982-1983 school year*, eighty-five percent of the estimated post-secondary vocational instructional aid shall be paid to each district in 12 equal monthly payments on the 15th of each month. The estimated aid payments shall be paid on the basis of the department of education's estimates of the current year's average daily membership adjusted for the latest available information in November, February and May. The 15 percent final payment, adjusted to reflect the actual average daily membership, shall be made to each district in September of the following fiscal year.

Sec. 12. Minnesota Statutes 1980, Section 124.11, Subdivision 2b, is amended to read:

Subd. 2b. (a) *Through the 1981-1982 school year*, post-secondary vocational supply aid and support services aid shall be paid to districts in equal installments on or before August 1, November 1, February 1, and May 1 of each year. Eighty percent of post-secondary vocational capital expenditure aid shall be paid to districts on or before August 1 of each year. The remaining 20 percent of post-secondary vocational capital expenditure aid shall be paid to districts on or before May 1 of each year.

(b) *Beginning in the 1982-1983 school year*, the state shall pay to districts 25 percent of post-secondary vocational supply aid and support services aid by August 1, 20 percent by November 1, 20 percent by February 1, and 20 percent by May 1 of each school year. The 15 percent final aid distribution shall be

paid to districts by October 31 of the following school year.

Sec. 13. Minnesota Statutes 1980, Section 124.561, Subdivision 2a, is amended to read:

Subd. 2a. [BUDGETS; ALLOCATIONS.] Before ~~January 1, 1980 and~~ January 1 of each year ~~thereafter~~, each post-secondary vocational technical school shall submit to the state board for vocational education budgets for supplies, support services, and capital expenditures for the following fiscal year as prescribed in sections 124.5622, 124.5623, and 124.5624. The state board for vocational education shall authorize the allocations of post-secondary vocational supply aid, support services aid, and capital expenditure aid for each district prior to June 1 of each year after a consolidated public hearing held pursuant to subdivision 3a. No district shall increase its operating deficit for post-secondary vocational education during any fiscal year. The state board for vocational education shall promulgate rules which establish the criteria for allocations of post-secondary vocational supply aid, support services aid, and capital expenditure aid. *For the purposes of post-secondary vocational aid allocations, "component activities" shall include: regular instruction; related instruction; special needs instruction; research; instructional administration; media/library; pupil personnel services; health services; director's office; institutional services; fixed costs; work study; physical plant; and repair and betterment. By October 15, 1979, the commissioner, in cooperation with the department of finance, shall establish standards by which post-secondary vocational technical schools shall submit separate financial requests for post-secondary vocational supply aid, support services aid, and capital expenditure aid.*

Sec. 14. Minnesota Statutes 1980, Section 124.561, Subdivision 3a, is amended to read:

Subd. 3a. [HEARING.] The consolidated public hearing held by the state board pursuant to subdivision 2a shall take place with at least six board members present and shall continue until all interested persons, representatives, and organizations have had an opportunity to be heard. ~~In 1980 and~~ Each year ~~thereafter~~ the state board shall authorize the allocations of post-secondary vocational supply aid, support services aid and capital expenditure aid for the following fiscal year at this hearing. Notice of intention to hold the hearing shall be given at least 20 days prior to the date set for the hearing by United States mail to each district submitting a post-secondary vocational school budget, to other interested persons, representatives, and organizations who register their names with the commissioner of education for that purpose, and in the state register. The department of education shall make available at least one free copy of the proposed allocations of aids to the education committees of the legislature and to any person requesting it. Unless the commissioner determines that the use of an audio magnetic recording device is more appropriate, a court reporter shall keep a record at every hearing. A transcript of the hearing record shall be made available upon the request of any person, provided that the request is in writing and the cost of preparing the transcript is borne by the requesting person. After allowing written material to be submitted and added to the hearing record for five days after the public hearing ends, the commissioner of education shall proceed as promptly as possible to write a report containing the final proposed allocations of aids. This report shall contain findings and conclusions based on substantial evidence from the hearing record to support the final proposed allocations. The report shall be available to all

affected school districts upon request for at least 15 days before the state board takes final action allocating aids. Any district which is adversely affected by the final proposed allocations of aids may demand and shall be given an opportunity to be heard in support of modification of the proposed allocations of aids at the meeting at which the state board takes final action allocating aids; provided, the state board may place reasonable restrictions on the length of time allowed for testimony.

Sec. 15. Minnesota Statutes 1980, Section 124.561, is amended by adding a subdivision to read:

Subd. 5. [DISTRIBUTION OF FUNDS.] All moneys, whether state, federal, or from other sources, which may be made available to the department of education for carrying out the purposes of post-secondary vocational-technical education shall be apportioned by the state board for vocational education to the various school districts in accordance with law and shall be distributed by the state aids, statistics and research section of the state department of education. State board approval shall not be required for the adjustment of average daily membership, pursuant to section 124.11, subdivision 2a.

Sec. 16. Minnesota Statutes 1980, Section 124.561, is amended by adding a subdivision to read:

Subd. 6. [ACCOUNTING OF FUNDS.] Each district providing post-secondary vocational-technical education programs shall establish and maintain, in accordance with section 121.908, separate revenue, expenditure, asset and liability accounts related to these post-secondary vocational-technical education programs within funds separate from all other district funds. All post-secondary vocational aids and all tuition authorized by section 124.565 shall be utilized solely for the purposes of post-secondary vocational-technical education programs.

Sec. 17. Minnesota Statutes 1980, Section 124.5621, Subdivision 5, is amended to read:

Subd. 5. "Instructional program" means a post-secondary vocational-technical occupational program as classified with a six-digit number by the federal ~~office~~ department of education, excluding special needs programs and related instruction.

Sec. 18. Minnesota Statutes 1980, Section 124.5621, Subdivision 6, is amended to read:

Subd. 6. "Instructional program cost" means the actual expenditures in the base year for an instructional program at an AVTI. These actual expenditures shall be computed as follows:

- (1) instructional salaries; plus
- (2) instructional employee fringe benefits, excluding teachers' retirement and teachers' social security; plus
- (3) expenditures for instructional staff travel for instructional and professional development purposes; plus
- (4) expenditures for purchased services for instructional purposes; plus
- (5) instructional expenditures for student activities; plus

(6) other instructional expenditures detailed according to the uniform financial accounting and reporting system, not including any expenditures for supplies and equipment; minus

(7) other instructional revenues detailed according to the uniform financial accounting and reporting system, including student activity fees but not including any revenues from the sale of supplies and equipment.

These actual expenditures shall not include any expenditures or revenues which are included in the AVTI's budgets for post-secondary vocational supply aid, support services aid or capital expenditure aid.

Sec. 19. Minnesota Statutes 1980, Section 124.5621, Subdivision 12, is amended to read:

Subd. 12. In ~~the 1981 fiscal year and each fiscal year thereafter~~, each district which operates an AVTI shall receive post-secondary vocational instructional aid computed according to the following formula:

(a) The instructional program allowance for that AVTI in the base year, multiplied by

(b) The AVTI staff compensation weighting for that AVTI, multiplied by

(c) ~~447~~ 119 percent, multiplied by

(d) The student growth or decline factor for that AVTI.

Sec. 20. Minnesota Statutes 1980, Section 124.5622, Subdivision 3, is amended to read:

Subd. 3. [POST-SECONDARY VOCATIONAL SUPPLY AID.] "Post-secondary vocational supply aid" means state funds, exclusive of post-secondary vocational capital expenditure aid, instructional aid, support services aid and debt service aid, apportioned by the state board for vocational education to local districts for the costs of ~~rents and leases~~, supplies and materials, ~~and supplies for resale, and rents and leases, excluding those of buildings for school purposes, computer systems hardware and related proprietary software, photocopy machines and telecommunications equipment~~, for all instructional programs and support services including related instruction and special needs programs. Post-secondary vocational supply aid shall be utilized solely for the purposes of post-secondary vocational education and shall not be utilized for equipment or other capital expenditures.

Sec. 21. Minnesota Statutes 1980, Section 124.5622, Subdivision 4, is amended to read:

Subd. 4. [BUDGETS; SUPPLY AID ALLOCATION.] Each AVTI shall submit a budget ~~before January 1, 1980 and before January 1 of each year thereafter~~ detailing estimated costs for the following fiscal year *in each applicable component activity of the AVTI's operations* for each of the following expenditure categories: rents and leases, supplies and materials, and supplies for resale, for all instructional programs and support services including related instruction and special needs programs. Each budget shall also include anticipated revenues from the sales of supplies and services. A budget submitted pursuant to this section shall not include any expenditures or revenues which are included in the computation of the AVTI's budgets for post-secondary vocational support services aid or capital expenditure aid. The department of

education shall recommend an allocation of supply aid *in each component activity* for each of the expenditure categories and a total allocation of supply aid for each AVTI, after a review of each AVTI budget. The state board shall review the recommendations of the department for the distribution of supply aid, authorize an allocation of supply aid for each AVTI, and detail recommended levels of spending *in each component activity* for each expenditure category through the consolidated public hearing process prescribed in section 124.561, subdivision 3a.

Sec. 22. Minnesota Statutes 1980, Section 124.5622, Subdivision 5, is amended to read:

Subd. 5. [REPORT.] Before ~~August 1, 1980, and before~~ August 1 of each ~~subsequent~~ year, the commissioner shall issue a report on the supply aid allocation to each AVTI. This report shall include recommended aid allocations *in each component activity* for each expenditure category and an explanation comparing the amount of the authorized aid allocation to the budget submitted for each AVTI. This report shall be transmitted to the education committees of the legislature and to the directors of the AVTI's.

Sec. 23. Minnesota Statutes 1980, Section 124.5623, Subdivision 4, is amended to read:

Subd. 4. Each AVTI shall submit a budget before ~~January 1, 1980, and before~~ January 1 of each year ~~thereafter~~ detailing the estimated costs for the following fiscal year for all support services, including related instruction and special needs programs. These costs shall include: expenditures for support services personnel salaries, travel and fringe benefits, excluding teachers' retirement and teachers' social security; expenditures for other purchased services; and other support service expenditures. Each budget shall also include all other anticipated support service revenues. A budget submitted pursuant to this section shall not include any expenditures for or revenue from the sale of supplies and equipment. A budget submitted pursuant to this section shall not include any expenditures or revenues which are included in the computation of an AVTI's instructional program cost or in the AVTI's budgets for post-secondary vocational supply aid or capital expenditure aid. The department of education shall recommend an allocation of support services aid *in each applicable component activity of the AVTI's operations* for each of the expenditure categories and a total allocation of support services aid for each AVTI, after a review of each AVTI budget. The state board shall review the recommendations of the department, authorize an allocation of support services aid for each AVTI, and detail recommended levels of spending *in each component activity* for each expenditure category, through the consolidated public hearing process prescribed in section 124.561, subdivision 3a. No aid shall be allocated for any special vocational systemwide support service project or program, excluding regional special needs programs. The estimated amount of each AVTI's net positive unappropriated general fund balance, as of June 30 of the fiscal year during which allocations are made, which exceeds 15 percent of the AVTI's operating expenditures, as defined by the uniform financial accounting and reporting system, for the fiscal year during which allocations are made, shall be taken into account by the state board in making these allocations. *The estimated amount of each AVTI's tuition revenues for the year in which the aid is paid may also be taken into account by the state board in making these allocations.*

Sec. 24. Minnesota Statutes 1980, Section 124.5623, Subdivision 5, is

amended to read:

Subd. 5. Before ~~August 1, 1980 and before~~ August 1 of each subsequent year, the commissioner shall issue a report on the support services aid allocation to each AVTI. This report shall include the recommended aid allocation in each component activity for each support services expenditure category and an explanation comparing the amount of the authorized aid allocation to the budget submitted for each AVTI. The fund balances and estimated tuition revenues used by the state board in determining the support services aid allocations shall be included. This report shall be transmitted to the education committees of the legislature and to the directors of the AVTI's.

Sec. 25. Minnesota Statutes 1980, Section 124.5624, Subdivision 3, is amended to read:

Subd. 3. "Post-secondary vocational capital expenditure aid" means state funds, exclusive of post-secondary vocational instructional aid, supply aid, support services aid and debt service aid, apportioned by the state board for vocational education to local school districts for the purpose of improving or repairing school sites, ~~or~~ equipping, re-equipping, repairing or improving buildings and permanent attached fixtures, ~~renting or leasing buildings for school purposes, or paying leasing fees for computer systems hardware and related proprietary software, photocopy machines and telecommunications equipment,~~ as necessary for the conduct of post-secondary vocational-technical training. Post-secondary vocational capital expenditure aid shall be utilized solely for the purposes enumerated in this section.

Sec. 26. Minnesota Statutes 1980, Section 124.5624, Subdivision 4, is amended to read:

Subd. 4. Each AVTI shall submit a budget ~~before January 1, 1980, and before January 1 of each year thereafter~~ detailing estimated costs for the following fiscal year for equipment and other capital expenditures for all instructional programs and support services, including special needs programs and related instruction. Each budget shall also include anticipated revenues from the sale of equipment and other capital goods. A budget submitted pursuant to this section shall not include any revenues or expenditures which are included in the computation of an AVTI's instructional program cost or in the AVTI's budgets for post-secondary vocational support services aid or supply aid. The department of education shall recommend an allocation of capital expenditure aid in each applicable component activity of the AVTI's operations for each of the expenditure categories and a total allocation of capital expenditure aid for each AVTI, after a review of each AVTI budget. The state board shall review the recommendations of the department, authorize an allocation of capital expenditure aid for each AVTI, and detail recommended levels of spending in each component activity for each expenditure category, through the consolidated public hearing process prescribed in section 124.561, subdivision 3a. The amount of each AVTI's estimated net positive unappropriated capital expenditure fund balance, as of June 30 of the fiscal year during which allocations are made, shall be taken into account by the state board in making these allocations.

Sec. 27. Minnesota Statutes 1980, Section 124.5624, Subdivision 6, is amended to read:

Subd. 6. Before ~~August 1, 1980 and before~~ August 1 of each subsequent

year, the commissioner shall issue a report on the capital expenditure aid allocation to each AVTI. This report shall include recommended aid allocations *in each component activity* for each capital expenditure category and an explanation comparing the amount of the authorized capital expenditure aid allocation to the budget submitted for each AVTI. The fund balances used by the state board in determining the capital expenditure aid allocation shall be included.

Before ~~August 1, 1980~~ *October 1, 1984*, and before ~~August 1~~ *October 1* of each subsequent year, the commissioner ~~also shall also report on the equipment inventory of each AVTI, including original cost, current value and estimated remaining useful life a five year projection of the replacement needs of fixed assets property for each of the AVTI's.~~

These reports shall be transmitted to the education committees of the legislature and to the directors of the AVTI's.

Sec. 28. Minnesota Statutes 1980, Section 124.565, Subdivision 3, is amended to read:

Subd. 3. Tuition at a post-secondary vocational-technical school for a Minnesota resident pupil shall be ~~\$128~~ *the amount per quarter set by the state board for vocational education* for each quarter the pupil is enrolled. *The state board for vocational education shall be exempt from the rulemaking requirements of chapter 15 for setting the tuition.* A full refund shall be provided to a student who withdraws on or before the 15th day of the quarter. No refund shall be provided for withdrawal after the 15th day of the quarter.

Sec. 29. Minnesota Statutes 1980, Section 124.565, Subdivision 4, is amended to read:

Subd. 4. Unless covered by a higher education reciprocity agreement relating to nonresident tuition, entered into by the Minnesota higher education coordinating board and approved by the state board for vocational education, tuition at a post-secondary vocational-technical school for a pupil who is not a resident of Minnesota shall be ~~\$320~~ *the amount per quarter for each quarter the pupil is enrolled set by the state board for vocational education.* *The state board for vocational education shall be exempt from the rulemaking requirements of chapter 15 for setting the tuition.* A full refund shall be provided to a student who withdraws on or before the 15th day of the quarter. No refund shall be provided for withdrawal after the 15th day of the quarter.

Sec. 30. Minnesota Statutes 1980, Section 124.565, Subdivision 6, is amended to read:

Subd. 6. [LENGTH OF QUARTER.] For purposes of the tuition charges ~~established in this section~~, a quarter shall consist of 60 school days. The state board for vocational education shall adopt rules providing for proportionate tuition charges for quarters which are shorter or longer than 60 days, for part time and extended day enrollment, and for programs which begin or end during a quarter. The state board shall adopt rules providing for tuition charges based on approved program lengths for programs offered on an individualized basis.

Sec. 31. Minnesota Statutes 1980, Section 124.565, Subdivision 7, is amended to read:

Subd. 7. A veteran who is a Minnesota resident shall be exempt from the tuition required by subdivision 3 until the veteran has completed the lesser of (a) 360 440 post-secondary vocational-technical school days, or the equivalent as determined by the state board for vocational education, or (b) one post-secondary vocational-technical school program which the veteran began after July 1, 1980.

"Veteran" for the purpose of this subdivision means a person who entered active military service in any branch of the armed forces of the United States after July 1, 1961 and before July 1, 1978, was a Minnesota resident at the time of induction into the armed forces and for the six months immediately preceding induction, and has been separated or discharged from active military service under conditions other than dishonorable. ~~This subdivision shall not apply to a veteran whose tuition is paid for by any federal or state agency.~~

Sec. 32. Minnesota Statutes 1980, Section 124.572, Subdivision 3, is amended to read:

Subd. 3. This aid shall be paid only for services rendered or for travel costs incurred in adult vocational education programs approved for funding by the ~~state department~~ commissioner of education ~~and. Rules shall be adopted by the state board providing criteria to be applied by the commissioner in approving programs for funding pursuant to this section including: economic impact of the program; legislative mandate for the program; employment opportunities in the occupational area; and proven contribution of the program. All programs shall be operated in accordance with rules promulgated by the state board. These rules shall provide minimum student-staff ratios required for an adult vocational education program to qualify for this aid. Rules relating to adult vocational education programs shall not incorporate the provisions of the state plan for vocational education by reference.~~

Sec. 33. Minnesota Statutes 1980, Section 124.572, is amended by adding a subdivision to read:

Subd. 3a. A district that wishes to receive aid pursuant to this section for programs to serve adult vocational students shall apply to the commissioner of education by February 1 of the previous school year in a manner prescribed by the commissioner. By June 1 the commissioner shall inform each applicant district whether its programs have been approved for funding. A district that wishes to receive aid for additional adult vocational programs not included in the February 1 application shall apply at a time and in a manner prescribed by the commissioner. For the 1981-82 school year and each year thereafter, the commissioner shall not approve for funding pursuant to this section more programs than can be paid the full aid entitlement according to the adult vocational aid formula within the amounts appropriated for this section.

Sec. 34. Minnesota Statutes 1980, Section 124.572, Subdivision 8, is amended to read:

Subd. 8. [PAYMENT SCHEDULE THROUGH 1982.] *Through the 1981-1982 school year, the state shall pay to each school district 30 percent of its estimated adult vocational education aid for the school year on or before the following dates: August 31, December 31 and March 31. The final aid distribution to the district shall be made on or before October 31 of the following school year. All adult vocational education aids shall be computed and dis-*

tributed by the state aids, statistics, and research section of the state department of education.

Sec. 35. Minnesota Statutes 1980, Section 124.572, is amended by adding a subdivision to read:

Subd. 8a. [PAYMENT SCHEDULE.] Beginning in the 1982-1983 school year, the state shall pay to each school district 30 percent of its estimated adult vocational education aid for the school year by August 31, 30 percent by December 31, and 25 percent by March 31. The final aid distribution shall be paid by the district by October 31 of the following school year.

Sec. 36. Minnesota Statutes 1980, Section 124.573, Subdivision 2, is amended to read:

Subd. 2. In the ~~1978-1979~~ 1981-1982 school year and thereafter, the state shall pay to any district or cooperative center 50 45 percent of the salaries paid to essential, licensed personnel in that school year for services rendered in that district's or center's secondary vocational education programs. In addition, the state shall pay 50 percent a prorated amount of the costs of necessary equipment for these programs, for secondary vocational programs and senior secondary industrial arts programs, based on the appropriation for this subdivision, but not to exceed 40 percent. No secondary vocational equipment aid shall be paid beginning with the 1982-1983 school year. The state shall pay 50 45 percent of the costs of necessary travel between instructional sites by secondary vocational education teachers and 50 45 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. The commissioner may withhold all or any portion of this aid for a secondary vocational education program which receives funds from any other source, and 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. 37. Minnesota Statutes 1980, Section 124.573, Subdivision 3, is amended to read:

Subd. 3. This aid shall be paid only for services rendered or for the costs designated in subdivision 2 which are incurred in secondary vocational education programs or senior secondary industrial arts programs as provided in subdivision 2 approved by the state department of education and operated in accordance with rules promulgated by the state board. These rules shall provide minimum student-staff ratios required for a secondary vocational education program in a cooperative center to qualify for this aid, but shall not require any minimum number of program offerings or administrative staff, any minimum period of coordination time or extended employment for secondary vocational education personnel, or the availability of vocational student activities or organizations for a secondary vocational education program to qualify for this aid. The requirement in these rules that program components be available for a minimum number of hours shall not be construed to prevent pupils from enrolling in secondary vocational education courses on an exploratory basis for less than a full school year. No rules promulgated by the state board pursuant to any statute shall require a district to offer secondary vocational educa-

tion. Rules relating to secondary vocational education programs shall not incorporate the provisions of the state plan for vocational education by reference. This aid shall be paid only for services rendered and for travel costs incurred by essential, licensed personnel who meet the work experience requirements for licensure pursuant to the rules of the state board for vocational education.

Sec. 38. Minnesota Statutes 1980, Section 124.573, Subdivision 3a, is amended to read:

Subd. 3a. In addition to the provisions of subdivisions 2 and 3, a school district or cooperative center may contract with a public or private agency other than a Minnesota school district or cooperative center for the provision of secondary vocational education services. ~~In the 1978-1979 school year and thereafter,~~ The state shall pay each district or cooperative center 40 percent of the amount of a contract entered into pursuant to this subdivision. The state board shall promulgate rules relating to program approval procedures and criteria for these contracts and aid shall be paid only for contracts approved by the commissioner of education. For the purposes of subdivision 4, the district or cooperative center contracting for these services shall be construed to be providing the services. For the purposes of subdivision 5, aid for these contracts shall be distributed on the same basis as aids for salaries and travel.

Sec. 39. Minnesota Statutes 1980, Section 124.573, Subdivision 5, is amended to read:

Subd. 5. [PAYMENT SCHEDULE THROUGH 1982.] *Through the 1981-1982 school year, the state shall pay to each school district and center 30 percent of its estimated secondary vocational education aid for salaries and travel for the school year on or before the following dates: August 31, December 31 and March 31. The state shall pay 90 percent of a district's estimated secondary vocational education aid for equipment for the school year on or before August 31. The final aid distribution to the district shall be made on or before October 31 of the following school year. All secondary vocational education aids shall be computed and distributed by the state aids, statistics, and research section of the state department of education.*

Sec. 40. Minnesota Statutes 1980, Section 124.573, is amended by adding a subdivision to read:

Subd. 5a. [PAYMENT SCHEDULE.] Beginning in the 1982-1983 school year, the state shall pay to each school district and center its estimated secondary vocational education aid in the following manner:

(a) For salaries and travel, 30 percent by August 31, 30 percent by December 31, 25 percent by March 31, and

(b) For equipment, 85 percent by August 31.

The final aid distribution shall be made by October 31 of the following school year. All secondary vocational education aids shall be computed and distributed by the state aids section of the state department of education.

Sec. 41. Minnesota Statutes 1980, Section 124.573, is amended by adding a subdivision to read:

Subd. 6. (a) A district or cooperative center shall not receive aid pursuant to subdivision 2, except for equipment, for any new or additional secondary

vocational program it initiates if a senior secondary industrial arts program is discontinued by the district or district member of the center and the two programs share similar objectives, or provide common or analogous instruction in a skill, competency, occupational field or like area.

(b) Before July 1 of each year, a district or cooperative center shall report to the department in a manner prescribed by the commissioner any senior secondary industrial arts program which it plans to discontinue for the upcoming school year and any new or additional secondary vocational program which it plans to initiate.

Sec. 42. Minnesota Statutes 1980, Section 124.574, Subdivision 2, is amended to read:

Subd. 2. ~~In the 1979-1980~~ Each school year ~~and thereafter~~, the state shall pay to any district or cooperative center 70 percent of the salaries 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. 43. Minnesota Statutes 1980, Section 124.574, Subdivision 4, is amended to read:

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

Sec. 44. Minnesota Statutes 1980, Section 124.574, Subdivision 8, is amended to read:

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

Sec. 45. [INSTRUCTIONS TO REVISOR OF STATUTES.]

In accordance with Minnesota Statutes 1980, Section 648.36, in the next edition of Minnesota Statutes, the revisor of statutes shall retitle the headnote of section 124.562 to read "[POST-SECONDARY VOCATIONAL MEMBERSHIP]."

Sec. 46. [REPEALER.]

Minnesota Statutes 1980, Sections 124.561, Subdivision 4; 124.562, Subdivisions 3 and 4; 124.566; and 124.571 are repealed.

Sec. 47. [APPROPRIATIONS.]

Subdivision 1. There is appropriated from the general fund to the depart-

ment of education the sums indicated in this section for the fiscal years ending June 30 in the years designated.

Subd. 2. [POST-SECONDARY VOCATIONAL INSTRUCTIONAL AID.] For post-secondary vocational instructional aid there is appropriated:

- | | |
|------------------|---|
| (a) \$48,471,300 | for aid for fiscal year 1982;
payable in fiscal year 1982; |
| (b) \$ 4,877,300 | for aid for fiscal year 1981;
payable in fiscal year 1982; |
| (c) \$49,373,700 | for aid for fiscal year 1983;
payable in fiscal year 1983; |
| (d) \$ 5,385,700 | for aid for fiscal year 1982;
payable in fiscal year 1983. |

Subd. 3. [POST-SECONDARY VOCATIONAL SUPPLY AID.] For post-secondary vocational supply aid there is appropriated:

\$15,307,500	1982
\$14,828,250	1983.

Subd. 4. [POST-SECONDARY VOCATIONAL SUPPORT SERVICES AID.] For post-secondary vocational support services aid there is appropriated:

\$16,842,500	1982
\$15,501,750	1983.

The appropriation for 1982 is based on the assumption that the state will spend for this purpose an amount at least equal to \$6,251,400 in fiscal year 1982 of federal money received for vocational education programs pursuant to the Vocational Education Act of 1963, as amended. The appropriation for 1982 includes \$2,848,000 to be allocated by the state board for special needs instruction.

The appropriation for 1983 is based on the assumption that the state will spend for this purpose an amount at least equal to \$6,251,400 in fiscal year 1983 of federal money received for vocational education programs pursuant to the Vocational Education Act of 1963, as amended. The appropriation for 1983 includes \$2,629,050 to be allocated by the state board for special needs instruction.

For post-secondary support services aid to pay for implementation of the fixed assets property management accounting and reporting system there is appropriated:

\$ 140,000	1982.
------------	-------

This amount shall not cancel and shall be available in 1983.

The amount appropriated in this subdivision shall not be used for any special vocational systemwide support service program or project.

Subd. 5. [POST-SECONDARY VOCATIONAL CAPITAL EXPENDITURE AID.] For post-secondary vocational capital expenditure aid there is appropriated:

\$11,230,000	1982
\$10,300,000	1983.

Subd. 6. [APPROPRIATION FOR CONTINGENCY FUND.] For the post-secondary vocational contingency fund there is appropriated:

- | | |
|----------------|--|
| (a) \$ 700,000 | <i>for 100 percent of the fund for fiscal year 1982 payable in fiscal year 1982.</i> |
| (b) \$ 510,000 | <i>for 85 percent of the fund for fiscal year 1983 payable in fiscal year 1983.</i> |

Subd. 7. [POST-SECONDARY VOCATIONAL DEBT SERVICE AID.] For post-secondary vocational debt service aid there is appropriated:

\$ 7,731,000	1982
\$ 7,600,000	1983.

Subd. 8. [ADULT VOCATIONAL EDUCATION AID.] For adult vocational education aid there is appropriated:

\$ 6,851,900	1982
\$ 7,102,000	1983.

The appropriation for 1982 includes \$707,600 for fiscal year 1981 payable in fiscal year 1982 of which not to exceed \$20,000 is for necessary travel and of which not to exceed \$20,000 is for small business management programs. This amount also includes \$6,144,300 for fiscal year 1982 payable in fiscal year 1982 of which not to exceed \$198,000 is for necessary travel.

The appropriation for 1983 includes \$682,700 for aid for fiscal year 1982 payable in fiscal year 1983 of which not to exceed \$22,000 is for necessary travel. This amount also includes \$6,419,300 for aid for fiscal year 1983 payable in fiscal year 1983 of which not to exceed \$212,500 is for necessary travel.

None of the amounts appropriated in this subdivision shall be used for any special vocational systemwide support service program or project.

Subd. 9. [VETERAN FARMER COÖPERATIVE TRAINING PROGRAMS.] For veteran farmer cooperative training programs there is appropriated:

\$ 675,100	1982
\$ 588,900	1983.

Subd. 10. [SECONDARY VOCATIONAL EDUCATION AID.] For secondary vocational education aid pursuant to section 124.573 there is appropriated:

\$22,151,240	1982
\$19,993,155	1983.

The appropriation for 1982 includes \$2,287,700 for fiscal year 1981 payable in fiscal year 1982 of which not to exceed \$181,600 is for equipment. This amount also includes \$19,863,540 for fiscal year 1982 payable in fiscal year 1982 of which not to exceed \$1,719,000 is for equipment.

The appropriation for 1983 includes \$2,016,060 for fiscal year 1982 payable in fiscal year 1983. This amount also includes \$17,977,095 for fiscal year 1983 payable in fiscal year 1983.

None of the amounts appropriated in this subdivision shall be used for any special vocational systemwide support service program or project.

Subd. 11. [AID FOR SECONDARY VOCATIONAL EDUCATION PROGRAMS FOR HANDICAPPED CHILDREN.] For secondary vocational programs for handicapped children pursuant to section 124.574, subdivision 2, there is appropriated:

\$ 2,452,700	1982
\$ 2,529,600	1983.

The appropriation for 1982 includes \$226,900 for fiscal year 1981 payable in fiscal year 1982. This amount also includes \$2,225,800 for fiscal year 1982 payable in fiscal year 1982. This appropriation is based on the assumption that the state will spend for this purpose an amount at least equal to \$300,000 in fiscal year 1982 of federal money received for vocational education programs pursuant to the Vocational Education Act of 1963, as amended.

The appropriation for 1983 includes \$247,300 for fiscal year 1982 payable in fiscal year 1983. This amount also includes \$2,282,300 for fiscal year 1983 payable in fiscal year 1983. This appropriation is based on the assumption that the state will spend for this purpose an amount at least equal to \$300,000 in fiscal year 1983 of federal money received for vocational education programs pursuant to the Vocational Education Act of 1963, as amended.

Subd. 12. Any unexpended balance not exempted and remaining from the appropriations in this section for 1982 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 amounts attributable to either year for any purpose indicated are 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. 48. [EFFECTIVE DATE.]

Sections 20 and 25 of this article shall be effective the day following final enactment.

ARTICLE VI

OTHER AIDS AND LEVIES

Section 1. [3.9251] [PROGRAMS FOR HANDICAPPED ADULTS.]

Programs funded by the council on quality education may include programs designed for adults and handicapped adults.

Sec. 2. Minnesota Statutes 1980, Section 3.9279, Subdivision 10, is amended to read:

Subd. 10. [VOLUNTARY PARTICIPATION.] Participation by parents and children in early childhood and family education programs shall be voluntary and shall not preclude participation in other state or local programs. To the extent possible, each school district providing early childhood and family education programs shall seek participation in these programs of minority and economically disadvantaged persons in the same proportion as these groups are represented in the area served by the program. Upon request, the school districts shall report on the success of these efforts to the council on quality education. No school district shall discriminate in providing early childhood and family education programs on the basis of race, religion, sex or ethnic

background, and no programs shall be used in whole or in part for religious worship or instruction.

Sec. 3. Minnesota Statutes 1980, Section 3.9279, Subdivision 12, is amended to read:

Subd. 12. [NEGOTIATED GRANTS.] For the ~~1979-1980~~ 1981-1982 and ~~1980-1981~~ 1982-1983 school years the council on quality education may fund up to 36 early childhood and family education programs according to the negotiated grants procedure in sections 3.924 to 3.927.

Sec. 4. [3.9280] [CITATION.]

Sections 4 to 11 of this article may be cited as the "Minnesota Arts in Education Act".

Sec. 5. [3.9281] [POLICY.]

The legislature finds placing arts within the basics of education is needed for pupils in the state of Minnesota. The legislature also finds the state needs an equitable balance in funding arts education programs for rural and urban students. Therefore, in order to meet the goal of promoting a statewide program of comprehensive arts in education for elementary and secondary students, it is the purpose of sections 4 to 11 to provide for the establishment of comprehensive arts education programs.

Sec. 6. [3.9282] [AUTHORIZATION.]

The council on quality education shall prescribe the form and manner of application for the programs and shall select the grant recipients. These programs shall be as equally distributed as possible within and outside of the seven county metropolitan area.

Sec. 7. [3.9283] [PROGRAM ACCOUNTS.]

A district providing arts education programs shall establish and maintain a separate account for the receipt and disbursement of all funds relating to the programs, and the funds shall be spent only for the purpose of arts education programs.

Sec. 8. [3.9284] [ADDITIONAL FUNDING.]

A district providing arts education programs may receive funds for the programs from other governmental agencies and from private sources, including any state or federal funds available for arts education.

Sec. 9. [3.9285] [CRITERIA FOR GRANT APPROVAL.]

Grants approved under this section shall include:

(1) Assessment of arts education needs in the school district area to be served and a plan of coordination with currently available resources;

(2) Provision for at least four art disciplines;

(3) Creation of a community advisory committee which shall have program evaluation responsibility;

(4) An instructional component in the plan which emphasizes sequential and ongoing instruction for pupils in the arts or a component which emphasizes teacher development in the arts. This component shall not replace artists-in-

the-schools programs or similar programs in arts-producing agencies; and

(5) Provision for a description of the adaptability of the program for implementation in other schools and districts.

Sec. 10. [3.9286] [PILOT PROJECTS.]

The council on quality education shall fund individual grants to districts in an amount not to exceed \$20,000 and shall fund individual grants to a consortium of districts or education cooperative service units in an amount not to exceed \$50,000.

Sec. 11. [3.9288] [REPORT.]

The department of education shall submit a report to the education committees of the senate and house of representatives by January 1, 1982. The report shall include:

(1) The status and implementation of the Minnesota plan for arts in education;

(2) The availability of learning opportunities in the arts for elementary and secondary students; and

(3) The status and implementation of the Minnesota Arts in Education Act.

Sec 12. [3.9290] [CITATION.]

Sections 12 to 18 of this article may be cited as the "Minnesota Improved Learning and Principal-Teacher, Counselor-Teacher, and Career Teacher Act".

Sec. 13. [3.9291] [PURPOSE.]

The legislature recognizes the unique and lifelong learning process of all human beings. The legislature is committed to the goal of maximizing the individual growth potential of all students through the secondary schools. The purposes of this act are:

(a) To offer improved learning programs, which emphasize basic and applied learning skills and the liberal arts;

(b) To recognize and utilize the unique skills that teachers, students, family, and the community have in both the teaching process and learning process; and

(c) To provide an opportunity for maximum use of principals and teachers.

Sec. 14. [3.9292] [PROGRAM SELECTION.]

Subdivision 1. [AUTHORIZATION.] A school district or group of districts that wish to receive moneys for improved learning programs may apply to the state board of education for approval. Programs may be approved for one portion of a school population, an entire school attendance area, several attendance areas, an entire school district, or a group of school districts.

Subd. 2. [APPLICATIONS.] The state board shall prescribe the form and manner of application for the program. The council on quality education may review and advise the state board on applications made for improved learning programs. Beginning in 1982, and each year thereafter, applications shall be submitted to the state board by January 15. If a district wishes to receive aid for

the principal-teacher, career teacher or counselor-teacher component of an improved learning program, an application for state aid must be submitted to the state board by January 15. Estimates of salaries and fringe benefits for the next school year and for the additional time beyond the regular contract period for staff to be employed shall be itemized on the application for aid. The board will notify all applicants of aid approved or denied by March 15 of each year. The board shall approve or deny applications in the order that they are received.

Subd. 3. [WAIVERS.] The state board may waive school district compliance with its rules which would prevent implementation of an improved learning program which received approval from the state board. However, individuals participating in the principal-teacher, counselor-teacher, or career teacher program shall maintain their seniority date in the district and all rights under the applicable collective bargaining agreement.

Subd. 4. [ADDITIONAL FUNDING.] A school district providing an improved learning program may receive funds for the program from private sources and governmental agencies, including state or federal funds.

Subd. 5. [REPORT.] The department shall submit a report to the legislature by February 1, 1983, and by February 1 each year thereafter. This report shall include the number and description of programs approved, implementation status of programs approved, waivers granted, and evaluation of programs approved.

Sec. 15. [3.9293] [ADVISORY COUNCIL.]

The school board of a district providing an improved learning program shall appoint an advisory council. Council members shall be selected from the school attendance area in which programs are provided. Members of the council may include students, teachers, principals, administrators and community members. A majority of the members shall be parents with children participating in the local program. The local advisory council shall advise the school board in the development, coordination, supervision, and review of the improved learning program. The council shall meet at least two times each year with any established community education advisory council in the district. Members of the council may be members of the community education advisory council. The council shall report to the school board.

Sec. 16. [3.9294] [PROGRAM CRITERIA.]

Subdivision 1. [MANDATORY COMPONENTS.] A plan for an improved learning program shall include:

(a) Curricula, instructional strategy and use of materials responsive to the individual educational needs and learning styles of each pupil to enable students to make continuous progress and learn at a rate appropriate to their abilities;

(b) A plan to develop student abilities for both learner and teacher in basic skills and applied learning skills and, when appropriate, arts, humanities, physical, natural, and social sciences; multicultural education; physical, emotional, and mental health; consumer economics, and career education;

(c) Plans to make use of community resources and communications media to pursue improved learning opportunities for pupils;

(d) A staff development program for teachers and other school personnel, such as that found in sections 17 and 18;

(e) A plan to improve the learning environment, including use of the community in general, to enhance the learning process;

(f) A plan for annual and ongoing evaluation of program goals and objectives; and

(g) A plan to involve parents in planning an improved learning program for their children.

Subd. 2. [OPTIONAL COMPONENTS.] A plan for an improved learning program may include a:

(a) Principal-teacher and career teacher program as defined in section 17 of this article;

(b) Counselor-teacher program as defined in section 18 of this article;

(c) Cooperative efforts with other agencies involved with human services or child development and development of alternative community based learning experiences;

(d) Apprenticeship post-secondary education components for students who are able to accelerate or programs for students with special abilities and interests who are given advanced learning opportunities within existing programs;

(e) Use of volunteers in the learning program;

(f) Flexible attendance schedules for students;

(g) Adult education component;

(h) Parent and family education component;

(i) Variable student/faculty ratios for special education students to provide for special programming;

(j) Inclusion of nonpublic students participating in an improved learning program as part of the ratio in the principal-teacher and career teacher component;

(k) Application of educational research findings;

(l) Summer learning experiences for students as recommended by the principal-teacher and career teacher;

(m) Use of educational assistants, teacher aides or paraprofessionals as part of the improved learning program;

(n) Establishment of alternative criteria for high school graduation; and

(o) Variable age and class size groupings of students.

Sec. 17. [3.9295] [PRINCIPAL-TEACHER AND CAREER TEACHER COMPONENT.]

Subdivision 1. [STATUS.] An improved learning program may include a principal-teacher and career teacher component. The principal-teacher and career teacher shall not be the exclusive teacher for students assigned to him or

her but will serve the function of developing and implementing a student's overall learning program. The principal-teacher and career teacher may be responsible for regular classroom assignments as well as learning programs for other students assigned to him or her.

Subd. 2. [QUALIFICATIONS.] (a) An individual employed as a principal-teacher must be licensed as a principal by the state board of education and shall be considered a principal as defined in section 179.63, subdivision 14, for purposes of the Public Employment Labor Relations Act. (b) An individual employed as a career teacher must be licensed as a teacher by the state board of teaching and shall be considered a teacher as defined in section 179.63, subdivision 13, for purposes of the Public Employment Labor Relations Act.

Subd. 3. [STAFF/STUDENT RATIO.] (a) One principal-teacher or career teacher will be assigned for every 125 students. For each special education student included in the assignment, the 1:125 ratio will be reduced by one.

(b) One principal-teacher or career teacher will be assigned for every 50 students when the principal-teacher and career teacher is also the principal of the school.

Subd. 4. [SELECTION; RENEWAL.] (a) The school board shall establish procedures for teachers and principals to apply for the position of principal-teacher and career teacher. The authority for selection of principal-teachers and career teachers shall be vested in the board and no individual shall have a right to employment as a principal-teacher or career teacher based on seniority or order of employment in the district.

(b) Employment of the principal-teacher and career teacher shall be on a 12 month basis with vacation time negotiated individually with the board. The annual contract of a principal-teacher or career teacher may not be renewed, as the board shall see fit; provided, however, the board shall give any such teacher whose contract as a principal-teacher or career teacher it declines to renew for the following year written notice to that effect before April 15. If the board fails to renew the contract of a principal-teacher or career teacher, that individual shall be reinstated to another position in the district if eligible pursuant to section 125.12 or 125.17.

Subd. 5. [DUTIES.] The principal-teacher and career teacher shall be responsible for:

(a) The overall education and learning plan of students assigned to him or her. This plan shall be designed by the principal-teacher and career teacher with the student, parents, and other faculty, and will seek to maximize the learning potential and maturation level of each pupil;

(b) Measuring the proficiency of the students assigned to him or her and assisting other staff in identifying pupil needs and making appropriate educational and subject groupings;

(c) When part of the district's plan, taking responsibility for the parent and early childhood education of students assigned to him or her;

(d) Designing and being responsible for program components which meet special learning needs of high potential and talented students; and

(e) Coordinating the ongoing, year-to-year learning program for students

assigned to him or her.

Sec. 18. [3.9296] [COUNSELOR-TEACHER COMPONENT.]

Subdivision 1. [STATUS.] An improved learning program may include a counselor-teacher component. The counselor-teacher shall not be the exclusive teacher with respect to the learning process of students assigned to him or her.

Subd. 2. [QUALIFICATIONS.] An individual employed as a counselor-teacher must be licensed as a counselor by the state board of education and shall be considered a teacher as defined in section 179.63, subdivision 13, for purposes of the Public Employment Labor Relations Act.

Subd. 3. [STAFF/STUDENT RATIO.] One counselor-teacher will be assigned for every 125 students. For each special education student included in the assignment, the 1:125 ratio will be reduced by one.

Subd. 4. [SELECTION; RENEWAL.] The annual contract of a counselor-teacher may not be renewed, as the board shall see fit; provided, however, the board shall give any such counselor whose contract for the counselor-teacher it declines to renew for the following year written notice to that effect before April 15. If the board fails to renew the contract of a counselor-teacher, that individual shall be reinstated to another position in the district if eligible pursuant to section 125.12 or 125.17.

Subd. 5. [DUTIES.] The counselor-teacher shall be responsible for providing guidance and counseling services to students assigned to him or her. This includes working with individual students, groups of students and families.

Sec. 19. Minnesota Statutes 1980, Section 123.705, is amended to read:

123.705 [STATE AID.]

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 ~~\$25~~ \$28 per child screened in fiscal year ~~1980~~ 1982 and ~~\$27~~ \$29 per child screened in fiscal year ~~1981~~ 1983. Any district may request and receive an advance payment equal to 50 percent of its estimated payment for screening eligible children.

Sec. 20. [124.246] [CHEMICAL USE PROGRAMS.]

Subdivision 1. [ELIGIBILITY AND PURPOSE.] Each school board, which has adopted comprehensive policy and procedures to minimize chemical use problems among all pupils in the district, and which has submitted them to the department of education, shall be eligible for state aid for the following purposes:

- (a) inservice training for public and nonpublic school staff,*
- (b) prevention programs, including curriculum materials,*
- (c) community and parent awareness programs,*
- (d) problem identification programs,*
- (e) referral programs, and*
- (f) aftercare support programs.*

The programs shall be for pupils in public and nonpublic elementary and

secondary schools, and their parents, teachers and staff.

Subd. 2. [AID.] An eligible district shall receive \$1 for each pupil, in average daily membership, enrolled in a public 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 \$1,000.

Subd. 3. [APPLICATIONS.] A district that is eligible for aid shall apply to the commissioner of education by October 1 of each school year on the form supplied by the commissioner.

Subd. 4. [ASSISTANCE TO DISTRICTS.] The department of education shall:

(a) continue to provide technical assistance to districts for maintenance and evaluation of prevention programs, for aftercare support programs and for improved relationships with community agencies,

(b) continue inservice programs emphasizing identified needs of the districts, and

(c) collect information from districts about prevention, awareness, identification, referral, and aftercare support programs.

Subd. 5. [STAFF COMPLEMENT.] The department of education may add one clerical employee to its approved complement for the chemical use program.

Sec. 21. Minnesota Statutes 1980, 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 ~~\$30~~ \$45 for fiscal year 1982 and \$45 for fiscal year 1983 times the number of gifted and talented students in the district, but no less than \$500 for each district. No more than 2-1/2 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. 22. [124.251] [STATE AID.]

A district which establishes, pursuant to sections 12 to 18 of this article, a principal-teacher, counselor-teacher or career teacher component of an improved learning program approved by the state board of education, shall receive state aid for the purpose of this program in an amount equal to the salary and fringe benefits for the number of days each principal-teacher, counselor-teacher or career teacher works beyond the regular contract period. The daily rate paid shall be the current contract rate earned by the principal-teacher, counselor-teacher or career teacher. The state board shall not approve applications or pay aids in excess of the state appropriation for this program. In addition, the board shall make an effort to distribute aid as equally as possible between rural, suburban and urban districts. In addition to other aids or moneys, a school district may use summer school aids to fund an improved learning program.

Sec. 23. [124.275] [GRANTS FOR COOPERATIVE AGREEMENTS BETWEEN SECONDARY SCHOOLS.]

The department of education may make grants to school districts for the study, evaluation and startup costs in developing an agreement pursuant to any law which permits the discontinuance in a district of grades or a portion of grades and which affects any of grades 7 through 12.

Sec. 24. Minnesota Statutes 1980, Section 124.646, Subdivision 1, is amended to read:

Subdivision 1. (a) For the ~~1979-1980~~ 1981-1982 school year, school districts shall be paid by the state in the amount of ~~4-9/10~~ 5.496 cents for each full paid student type "A" lunch served to students in the district. (b) For the ~~1980-1981~~ 1982-1983 school year, school districts shall be paid by the state in the amount of ~~5-3/10~~ 5.91 cents for each full paid student type "A" lunch served to students in the district.

Sec. 25. Minnesota Statutes 1980, Section 134.35, Subdivision 1, is amended to read:

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 ~~fiscal year 1980 and each fiscal year thereafter~~ shall be calculated as provided in this section.

Sec. 26. Minnesota Statutes 1980, Section 134.351, is amended by adding a subdivision to read:

Subd. 5. [PROPERTY.] All property given, granted, conveyed, donated, devised or bequeathed to, or otherwise acquired by any multi-county, multi-type library system board shall vest in, and be held in the name of, such multi-county, multi-type library system board, and any conveyance, grant, donation, devise, bequest, or gift made to, or in the name of, any multi-county, multi-type library system shall be deemed to have been made directly to the multi-county, multi-type library system board.

Sec. 27. Minnesota Statutes 1980, Section 134.351, is amended by adding a subdivision to read:

Subd. 6. [RATIFICATION.] All property heretofore given, granted, conveyed, donated, devised, bequeathed to, or otherwise acquired by any multi-county, multi-type library system board is hereby validated, ratified and confirmed as the property of said board.

Sec. 28. Minnesota Statutes 1980, Section 134.351, Subdivision 5, is amended to read:

Subd. 5 7. [REPORTS.] Each multi-county, multi-type system receiving a grant pursuant to section 134.352 or 134.353 shall provide an annual progress report to the department of education. The department shall report before November 15 of each year to the legislature on all projects funded under sections 134.352 and 134.353.

Sec. 29. Minnesota Statutes 1980, Section 134.36, is amended to read:

134.36 [RULES.]

The state board of education shall promulgate rules as necessary for implementation of any provision of ~~Laws 1978, Chapter 546 sections 134.30 to 134.353~~. Temporary rules may be adopted to implement ~~Laws 1978, Chapter 546 sections 134.30 to 134.353~~ in compliance with the provisions of section 15.0412, subdivision 5, except that these rules may be effective for up to 300 days.

Sec. 30. Minnesota Statutes 1980, Section 275.125, Subdivision 11a, is amended to read:

Subd. 11a. ~~(a) In 1979, a school district may levy an amount not to exceed the amount equal to \$80 per pupil unit or, in districts where the actual number of pupil units identified in section 124.17, subdivision 1, clauses (1) and (2), has increased from the prior year, \$85 per pupil unit. For purposes of computing allowable levies under section 275.125, pupil units shall include only those units identified in section 124.17, subdivision 1, clauses (1), (2), (4), and (5). No levy under this clause in 1979 shall exceed ten mills times the adjusted assessed valuation of the taxable property in the district for the preceding year, notwithstanding the provisions of sections 272.64 and 275.49.~~

~~(b) (a) In 1980 and each year thereafter, A school district may levy an amount not to exceed the amount equal to \$90 \$95 per pupil unit or, in districts where the actual number of pupil units identified in section 124.17, subdivision 1, clauses (1) and (2), has increased from the prior year, \$95 \$100 per pupil unit. In 1980 and each year thereafter, No levy under this clause shall exceed seven mills times the adjusted assessed valuation of the taxable property in the district for the preceding year, notwithstanding the provisions of sections 272.64 and 275.49.~~

~~(c) (b) The proceeds of the tax may be used only to acquire land, to equip and reequip buildings and permanent attached fixtures, to pay leasing fees for computer systems hardware and related proprietary software, and to pay leasing fees for photocopy machines and telecommunications equipment. The proceeds of the tax may also be used for capital improvement and repair of school sites, buildings and permanent attached fixtures, energy assessments as required pursuant to section 116H.126, and for the payment of any special assessments levied against the property of the district authorized pursuant to section 435.19 or any other law or charter provision authorizing assessments against publicly owned property; provided that a district may not levy amounts to pay assessments for service charges, including but not limited to those described in section 429.101, whether levied pursuant to that section or pursuant to any other law or home rule provision. The proceeds of the tax may also be used for capital expenditures for the purpose of reducing or eliminating barriers to or increasing access to school facilities by handicapped individuals. The proceeds of the tax may also be used to make capital improvements to schoolhouses to be leased pursuant to section 123.36, subdivision 10.~~

~~(d) (c) Subject to the commissioner's approval, the tax proceeds may also be used to rent or lease buildings for school purposes and to acquire or construct buildings. The state board shall promulgate rules establishing the criteria to be used by the commissioner in approving and disapproving district applications requesting the use of capital expenditure tax proceeds for the renting or leasing of buildings for school purposes and the acquisition or construction of buildings. The approval criteria for purposes of building acquisition and construc-~~

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

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

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

(f) Subject to the seven mill limitation of clause (a) of this subdivision, in 1981 and each year thereafter, a school district may levy an additional amount equal to \$5 per pupil unit for capital expenditures for secondary vocational equipment and senior secondary industrial arts equipment.

Sec. 31. Minnesota Statutes 1980, Section 275.125, is amended by adding a subdivision to read:

Subd. 11b. [ENERGY CONSERVATION LEVY.] A school district may levy a tax in an amount not to exceed one mill times the adjusted assessed valuation of taxable property within the district for the preceding year for the purpose of financing energy conservation measures in district owned buildings. The proceeds of the levy shall be used for the sole purpose of funding energy audits on district owned buildings conducted pursuant to chapter 116H, and funding those energy conservation and renewable energy measures which the energy audits indicate will reduce the use of nonrenewable sources of energy to the extent that the projected energy cost savings will amortize the cost of the conservation measures within a period of ten years or less. Any levy pursuant to this subdivision shall be a special levy exempt from levy limitations of this section or any other law. A levy pursuant to this subdivision shall be subject to the notice and referendum provisions of subdivision 14a, clause (3), except that for a levy proposed in 1981, only one week's notice is required.

Sec. 32. Minnesota Statutes 1980, Section 375.335, is amended by adding a subdivision to read:

Subd. 4. [PROPERTY.] All property given, granted, conveyed, donated, devised or bequeathed to, or otherwise acquired by any regional library board or any regional public library system board, however created, shall vest in, and be held in the name of, such regional library board or regional public library system board, and any conveyance, grant, donation, devise, bequest, or gift made to, or in the name of, any regional library or public library system shall be deemed to have been made directly to the regional public library system board.

Sec. 33. Minnesota Statutes 1980, Section 375.335, is amended by adding a subdivision to read:

Subd. 5. [RATIFICATION.] All property heretofore given, granted, conveyed, donated, devised, bequeathed to, or otherwise acquired by any regional library board or any regional public library system board, however created, is hereby validated, ratified and confirmed as the property of said board.

Sec. 34. Minnesota Statutes 1980, Section 375.335, Subdivision 4, is amended to read:

Subd. 4 6. [RATIFICATION.] Any multicounty regional library heretofore

created, and the agreements creating them, are hereby validated, ratified, and confirmed and the benefits of subdivisions 1 to 4 shall hereafter apply to said libraries.

Sec. 35. [MOBILE UNITS.]

Subdivision 1. [DEFINITION.] For purposes of this section, "mobile unit" means a vehicle or trailer designed to provide facilities for educational programs and services. A mobile unit may be a neutral site as defined in Minnesota Statutes, Section 123.932, Subdivision 9.

Subd. 2. [GRANTS.] Notwithstanding Minnesota Statutes, Section 124.212, Subdivision 9b, or any other section, for the 1981-1982 school year the commissioner of education shall make grants to 12 school districts for the experimental use of mobile units to provide any of the following programs and services to public and nonpublic school pupils: diagnostic testing; health services, as defined in Minnesota Statutes, Section 123.932, Subdivision 11; guidance and counseling services, as defined in Minnesota Statutes, Section 123.932, Subdivision 10; special instruction and services for handicapped children, as defined in Minnesota Statutes, Section 120.03; remedial programs; and programs for gifted pupils. Guidance and counseling services provided to nonpublic school pupils pursuant to this section shall not include the planning or selection of particular courses or classroom activities of the nonpublic school. Any programs and services which a district offers through the mobile unit pursuant to this section to public school pupils, it shall also offer through the mobile unit to nonpublic school pupils by or on behalf of whom a formal request has been made at the time and in the manner required by the school board of the district.

Subd. 3. [USE OF GRANT MONEY.] A district may use the grant funds to purchase or rent a mobile unit, to remodel, equip, and operate it, and to pay for any costs incurred in providing the authorized programs and services; except that the district may not use the grant funds to pay the salaries of the professional instructional staff who work in the mobile unit.

Subd. 4. [DUTIES OF COMMISSIONER.] The commissioner shall prescribe the form, manner, and time of application for the grants and shall select the participating school districts.

Subd. 5. [RESTRICTIONS ON PROGRAMS AND SERVICES.] The programs and services authorized by subdivision 2 shall be provided by public employees at neutral sites as defined in Minnesota Statutes, Section 123.932, Subdivision 9. The programs and services provided to nonpublic school pupils shall be limited to those for which the district provides equivalents, through the mobile unit program or otherwise, to public school pupils. The amount a district spends through the mobile unit program and otherwise for a program or service to nonpublic school pupils shall be no greater on a per pupil basis than the amount it spends through the mobile unit program and otherwise for the equivalent program or service for public school pupils.

Subd. 6. [REPORTS.] A district receiving a grant shall report to the commissioner of education by August 1, 1982, on the effectiveness of the mobile unit program in the district. The commissioner shall report to the education committees of the legislature on the effectiveness of the mobile unit program by February 15, 1983.

Subd. 7. [SUPPLEMENTAL NATURE OF PROGRAM.] Notwithstanding Minnesota Statutes, Section 123.935, Subdivision 1, the amount a district spends for pupil support services pursuant to this section may be in addition to the amount it spends for pupil support services pursuant to Minnesota Statutes, Section 123.935, Subdivision 1.

Sec. 36. [LOW-POWER TELEVISION TRANSMISSION PROJECT.]

Subdivision 1. [POLICY.] The legislature finds that there is a severe loss of course offerings in small rural school districts. The legislature also finds that implementing two way low-power television transmission in small rural school districts creates an opportunity to provide courses not otherwise available due to small school enrollments and limited funds.

Subd. 2. [MAINTENANCE OF PROJECT.] The low-power television transmission project, Communicasting for Educational Purposes, established in Independent School District No. 790, shall be maintained.

Subd. 3. [APPLICATION PROCEDURES.] The department of education shall prescribe the procedures Independent School District No. 790 shall follow to receive moneys to continue the Communicasting for Educational Purposes project.

Subd. 4. [SEPARATE FUND ACCOUNT.] Independent School District No. 790 shall maintain separate revenue and expenditure accounts which accurately reflect all revenues and expenditures for the project. The moneys shall be spent only for purposes of subdivision 2 of this section.

Subd. 5. [SOURCE OF FUNDS.] Independent School District No. 790 may receive funds for the Communicasting for Educational Purposes project from the state or federal government or their agencies and from private organizations.

Subd. 6. [LOW-POWER TRANSMISSION TELEVISION STUDY.] The department of education shall award one or more contracts to qualified consultants or legal firms specializing in securing broadcast and telecast licenses from the federal communications commission. The consultant or firm shall: (a) survey the need for low-power television transmission sites in the state; (b) write a report which recommends placement of low-power television transmission sites to provide maximum educational benefits to small rural school districts and gives detailed estimates of costs for implementing the sites, including data concerning local personnel, training, and equipment; (c) evaluate the project in Independent School District No. 790, Communicasting for Educational Purposes; and (d) prepare and submit all necessary license applications to the federal communications commission on behalf of local education agencies recommended as transmission sites.

Subd. 7. [REPORT TO LEGISLATURE.] The department of education shall make reports to the education committees of the house of representatives and the senate by March 15, 1982, and March 15, 1983, about the effectiveness of the project in subdivision 2 of this section and findings of the studies in subdivision 6 of this section.

Sec. 37. [REPEALER.]

Laws of Minnesota 1980, Chapter 609, Article IV, Sections 19, 20, and 21 are repealed. Minnesota Statutes 1980, Sections 3.9279, Subdivision 13, and

123.937 are repealed.

Sec. 38. [APPROPRIATION.]

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

Subd. 2. [HEALTH AND DEVELOPMENTAL SCREENING PROGRAMS.] For health and developmental screening programs pursuant to sections 123.701 to 123.705, there is appropriated:

\$1,391,600	1982,
\$1,244,825	1983.

Subd. 3. [ABATEMENT AID.] For abatement aid pursuant to section 124.214, subdivision 2, there is appropriated:

\$2,751,000	1982,
\$2,988,000	1983.

Subd. 4. [EMERGENCY AID.] For emergency aid pursuant to section 124.24, there is appropriated:

\$ 50,000	1982.
-----------	-------

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

Subd. 5. [CAPITAL EXPENDITURE EQUALIZATION AID.] For capital expenditure equalization aid pursuant to section 124.245, there is appropriated:

\$ 700,000	1982,
\$ 709,400	1983.

Subd. 6. [SCHOOL LUNCH AID.] For school lunch aid pursuant to section 124.646, there is appropriated:

\$3,838,200	1982,
\$4,085,500	1983.

Any unexpended balance from the appropriations in this subdivision may be expended, in addition to the amounts appropriated in subdivision 7 of this section, for food storage and transportation costs for U.S.D.A. donated commodities.

Subd. 7. [FOOD STORAGE AND TRANSPORTATION.] For food storage and transportation costs for U.S.D.A. donated commodities there is appropriated:

\$ 765,300	1982,
\$ 880,100	1983.

Subd. 8. [GIFTED AND TALENTED STUDENTS.] For programs for the gifted and talented pursuant to section 124.247, there is appropriated:

\$ 853,702	1982,
\$ 710,904	1983.

Subd. 9. [GRANTS FOR COOPERATIVE AGREEMENTS BETWEEN SECONDARY SCHOOLS.] For grants for cooperative agreements between secondary schools pursuant to section 23 of this article, there is appropriated:

\$ 90,000	1982,
\$ 76,500	1983.

Subd. 10. [CHEMICAL DEPENDENCY PROGRAMS.] For aid for chemical dependency programs authorized pursuant to section 20 of this article, there is appropriated:

\$ 930,000	1982,
\$ 790,500	1983.

Subd. 11. [COUNCIL ON QUALITY EDUCATION; VENTURE FUND GRANTS.] For the council on quality education venture fund grants pursuant to sections 3.925 and 3.926, there is appropriated:

\$ 950,000	1982,
\$ 807,500	1983.

Subd. 12. [EARLY CHILDHOOD AND FAMILY EDUCATION.] For early childhood and family education programs pursuant to section 3.9279, there is appropriated:

\$1,500,000	1982,
\$1,270,000	1983.

Any unexpended balance remaining from the appropriation in this subdivision for 1982 shall not cancel and shall be available for the second year of the biennium.

Subd. 13. [NONPUBLIC AIDS.] For programs for nonpublic educational aid pursuant to sections 123.931 to 123.937, there is appropriated:

\$4,109,800	1982,
\$3,848,460	1983.

Subd. 14. [MOBILE UNIT GRANT PROGRAM.] The sum of \$438,200 is appropriated from the general fund to the department of education for the purpose of funding the mobile unit grant program authorized in section 35 of this article. These funds shall be available until June 30, 1983.

Subd. 15. [APPROPRIATION FOR ARTS EDUCATION.] For Minnesota arts in education programs, there is appropriated:

1981-1982 school year \$200,000;
1982-1983 school year \$170,000.

An amount not to exceed ten percent of the total appropriation in each year may be expended for administrative costs.

Subd. 16. [EDUCATIONAL COOPERATIVE SERVICE UNITS.] For educational cooperative service units, there is appropriated:

\$ 604,500	1982,
\$ 699,500	1983.

(a) Funds from this appropriation shall be transmitted to ECSU boards of directors for general operations in the amount of \$60,450 per ECSU as defined in section 123.58 in fiscal year 1982 and \$69,950 per ECSU in fiscal year 1983; provided, however, that the ECSU whose boundaries encompass development regions 6 and 8 shall receive \$120,900 in fiscal year 1982 and \$139,900 in fiscal year 1983 for general operations.

(b) These funds include funds for technical assistance for long-range plan-

ning and data base development pursuant to section 122.87 and technical assistance for program planning and evaluation pursuant to section 123.742.

Subd. 17. [BASIC SUPPORT GRANTS.] For grants pursuant to sections 134.32 to 134.35 and 134.36, for the provision of library services, there is appropriated:

\$3,943,2001982,
\$3,639,9551983.

Subd. 18. [MULTI-COUNTY LIBRARY SYSTEMS.] For grants pursuant to sections 134.352 and 134.353 to multi-county, multi-type library systems, there is appropriated:

\$182,5001982,
\$155,1251983.

Subd. 19. [INDIAN RESOURCE LIBRARY.] There is appropriated \$10,000 from the general fund to the commissioner of education to be used for the Indian Resource Library in Independent School District No. 181.

\$5,000 shall be available for fiscal year 1982 and \$5,000 shall be available for fiscal year 1983. Any unexpended balance remaining from the appropriation in this subdivision for 1982 shall not cancel and shall be available for the second year of the biennium. None of the amounts appropriated in this subdivision shall be expended for a purpose other than the purpose indicated.

Subd. 20. [APPROPRIATION; INDIAN EDUCATION.] (a) For certain Indian education programs, there is appropriated:

\$398,0001982,
\$398,0001983.

These appropriations are available for expenditure with the approval of the commissioner of education.

The commissioner shall not approve the payment of any amount to a school district pursuant to this subdivision unless that school district is in compliance with all applicable laws of this state.

Up to the following amounts of this appropriation may be distributed to the following school districts: \$125,000 to Independent School District No. 309-Pine Point School; \$22,000 to Independent School District No. 166; \$34,000 to Independent School District No. 432; \$32,000 to Independent School District No. 435; \$96,000 to Independent School District No. 707; and \$89,000 to Independent School District No. 38. These amounts shall be expended only for the benefit of Indian students and for the purpose of meeting established state educational standards or statewide requirements.

These appropriations are available August 15 of the applicable school year, but only if there will not be available for the districts enumerated in this subdivision for the applicable school year any operation support funds from the federal bureau of Indian affairs pursuant to the Johnson-O'Malley Act, Public Law 73-167 or 25 Code of Federal Regulations 273.31, or equivalent money from the same or another source.

(b) Before a district can receive moneys pursuant to this subdivision, the district must submit to the commissioner of education evidence that it has:

(i) Complied with the uniform financial accounting and reporting standards act, sections 121.90 to 121.917. For each school year, compliance with section 121.908, subdivision 3a, shall require the school district to prepare one budget including the amount available to the district pursuant to subdivision 21 and one budget which does not include these moneys. The budget of that school district for the 1983-84 school year prepared according to section 121.908, subdivision 3a, shall be submitted to the commissioner of education at the same time as 1982-1983 budgets and shall not include any moneys appropriated in this subdivision;

(ii) Conducted a special education needs assessment and prepared a proposed service delivery plan according to Minnesota Statutes, Sections 120.03 and 120.17; Public Law 94-142, an act of the 94th Congress of the United States cited as the "Education for All Handicapped Children Act of 1975"; and applicable state board of education rules; and

(iii) Compiled accurate daily pupil attendance records.

(c) Prior to approving payment of any amount to a school district pursuant to this subdivision, the commissioner shall review and evaluate each affected district's compliance with clause (b) and any other applicable laws, and each affected district's need for the moneys. Each affected district's net unappropriated fund balance in all operating funds as of June 30 of the previous school year shall be taken into consideration.

Subd. 21. [LOW-POWER TELEVISION TRANSMISSION PROJECT.] The sum of \$200,000 is appropriated from the general fund to the department of education for fiscal year 1982 to implement section 36 of this article.

Subd. 22. [IMPROVED LEARNING PROGRAMS.] For improved learning programs with principal-teacher, career teacher or counwor-teacher components, there is appropriated from the general fund to the department of education \$300,000 for fiscal year 1982. Any amount of the appropriation remaining at the end of fiscal year 1982 shall not cancel and shall be available in fiscal year 1983.

Subd. 23. Unless specifically authorized, any unexpended fund balance remaining from the appropriations in this section for 1982 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. 24. [PAYMENT SCHEDULE.] One hundred percent of the entitlement in subdivisions 5, 8, 9, 10, 11, 12, 13, 15, 17, 18, and 19 shall be paid in fiscal year 1982. Eighty-five percent of the entitlement for fiscal year 1983 in subdivisions 5, 8, 9, 10, 11, 12, 13, 15, 17, 18, and 19 shall be paid in fiscal year 1983.

Sec. 39. [EFFECTIVE DATE.]

Section 36 is effective the day following final enactment.

ARTICLE VII

MISCELLANEOUS

Section 1. Minnesota Statutes 1980, Section 116H.126, Subdivision 2, is amended to read:

Subd. 2. [MINI-AUDITS AND MAXI-AUDITS.] On or before July 1, 1980, based upon the analysis of the building energy reports *which school districts were required by law to submit by December 31, 1979*, the director shall indicate to each school district those buildings upon which a mini-audit, maxi-audit, or both, shall be performed. The audit results shall be recorded on a form furnished by the director and filed with the director by December 31, 1982.

Sec. 2. Minnesota Statutes 1980, Section 116H.126, Subdivision 4, is amended to read:

Subd. 4. [CERTIFICATION OF AUDITORS.] The director may certify persons to perform mini-audits and maxi-audits; ~~and to complete the building energy reports.~~

Sec. 3. Minnesota Statutes 1980, Section 116H.126, Subdivision 5, is amended to read:

Subd. 5. [ACCEPTANCE OF EQUIVALENT ENERGY SURVEYS.] The director may accept the results of an equivalent energy survey in place of the ~~building energy report~~ and audits required under this section.

Sec. 4. Minnesota Statutes 1980, Section 120.0751, Subdivision 5, is amended to read:

Subd. 5. The department of education shall provide the forms required by subdivision 2. ~~These forms shall be available on or before July 31, 1980. The state board shall consider any application received by it on August 1, 1980, or thereafter.~~ The state board of education shall adopt the procedures necessary to implement this section.

Sec. 5. Minnesota Statutes 1980, Section 120.78, is amended to read:

120.78 [FUEL CONSERVATION REPORTS.]

~~Subdivision 1.~~ On or before ~~December 31~~ *August 15* of each year each school district shall submit to the commissioner of education, in ~~such the~~ manner and upon ~~such the~~ forms ~~as he the commissioner~~ shall furnish, a comprehensive report of the energy consumed by the district during the previous school year ending June 30. The report shall include: ~~(1) a building energy report, as defined in section 116H.02, on each building and other structure maintained by the district;~~ (2) the amount of fuel used to transport students to and from school and between schools; and ~~(3) such any other~~ information as the commissioner may require related to the consumption of energy. The report shall be developed by the commissioner in consultation with the director of the energy agency.

~~Subd. 2.~~ Based upon the information contained in the report required by subdivision 1 the school district, shall on or before July 1, 1974, also submit to the commissioner of education a detailed plan to reduce energy consumption in the district during the school year 1974-1975. The school district shall invite citizen participation in the development of the plan prescribed herein, shall carry out its provisions, and shall do what is necessary to conserve energy.

Sec. 6. Minnesota Statutes 1980, Section 121.90, is amended to read:

121.90 [DEFINITIONS.]

~~"Receivables", "liabilities", "fund balances", "revenues" and "expen-~~

~~ditures~~ have the meanings specified in the uniform financial accounting and reporting standards for Minnesota school districts unless otherwise provided by law. Unless the context clearly indicates otherwise, the words, terms and phrases used in sections 121.901 to 121.917 have the meanings given to them in the manual for the uniform financial accounting and reporting system for Minnesota.

Sec. 7. Minnesota Statutes 1980, Section 121.904, is amended by adding a subdivision to read:

Subd. 11c. Payments received pursuant to section 477A.15 shall be recognized as revenue and recorded as a receivable in the fiscal year prior to receipt.

Sec. 8. Minnesota Statutes 1980, Section 121.906, Subdivision 2, is amended to read:

Subd. 2. [RECOGNITION OF EXPENDITURES AND LIABILITIES.] There shall be fiscal year-end recognition of expenditures and the related offsetting liabilities recorded in each fund in accordance with the uniform financial accounting and reporting standards for Minnesota school districts. *Encumbrances outstanding at the end of the fiscal year do not constitute expenditures or liabilities.*

Sec. 9. Minnesota Statutes 1980, Section 121.906, Subdivision 3, is amended to read:

Subd. 3. [PURCHASE ORDERS OTHER THAN INVENTORY.] Purchase orders, itemized in detail, for other than inventory supply items, which are issued to outside vendors and based on firm prices shall be recorded as expenditures in the fiscal year ~~designated at the time of the issuance of the order in which the liability is incurred.~~

Sec. 10. Minnesota Statutes 1980, Section 121.912, Subdivision 1, is amended to read:

Subdivision 1. No school district shall permanently transfer money from an operating fund to a nonoperating fund except as provided in this subdivision. Permanent transfers may be made from an operating fund to any other fund to correct for prior fiscal years' errors discovered after the books have been closed for that year. Permanent transfers may be made from the general fund to eliminate deficits in another fund when that other fund is being discontinued. When a district discontinues a substantial portion of the operation of a district-owned bus 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; provided, the levy authorized pursuant to section 275.125, subdivision 11a, shall be reduced by an amount equal to the amount transferred. Permanent transfers may be made from the general fund to the capital expenditure fund of a post-secondary vocational-technical school in the amount and for the purposes authorized by the state board for vocational education in approving the school's budget pursuant to section 124.561; provided, the state board shall not approve any permanent transfer for the purpose of an acquisition or betterment of lands or buildings or a capital improvement which requires the expenditure of an amount equal to or greater than \$50,000, which changes the perimeter walls of an existing facility, which adds more than 1,000 square feet to a post-secondary vocational facility, or which requires the issuance of school

district bonds; provided further, the state board shall not approve the permanent transfer for any other purpose of any amount which exceeds \$150,000.

Sec. 11. Minnesota Statutes 1980, Section 121.917, Subdivision 4, is amended to read:

Subd. 4. (1) If the net negative unappropriated fund balance in all the funds of a school district, other than statutory operating debt pursuant to section 121.914, capital expenditure, building construction, debt service, trust and agency, and post-secondary vocational-technical education funds, calculated in accordance with the uniform financial accounting and reporting standards for Minnesota school districts, ~~as of June 30, 1980, and each year thereafter,~~ is more than 2-1/2 percent of the year's expenditure amount, the district shall, prior to September 15, submit a special operating plan to reduce the district's deficit expenditures to the commissioner of education for his approval.

Notwithstanding any other law to the contrary, a district submitting a special operating plan to the commissioner under this clause which is disapproved by the commissioner shall not receive any aid pursuant to chapter 124 until a special operating plan of the district is so approved.

(2) A district shall receive aids pending the approval of its special operating plan under clause (1). A district which complies with its approved operating plan shall receive aids as long as the district continues to comply with the approved operating plan.

Sec. 12. Minnesota Statutes 1980, Section 123.35, Subdivision 15, is amended to read:

Subd. 15. When payment of a claim cannot be deferred until the next board meeting without loss to the district of a discount privilege, *or when payment of a claim cannot be deferred until the next board meeting because of contract terms, purchase order terms, or a vendor's standard terms which are part of the contract,* the claim may be paid prior to board approval, providing that the board:

(a) Has delegated authority to the clerk or a designated business administrator to make a payment prior to board approval and

(b) Requires that payment made prior to board approval be acted upon at the next board meeting.

Payment prior to board approval shall not affect the right of the district or a taxpayer to challenge the validity of a claim.

Sec. 13. Minnesota Statutes 1980, Section 123.36, Subdivision 13, is amended to read:

Subd. 13. Proceeds of the sale or exchange of school buildings or real property of the school district shall be used as provided in this subdivision.

(1) In districts with outstanding bonds the proceeds of the sale or exchange shall first be deposited in the debt retirement fund of the district in an amount sufficient to meet when due the principal and interest payments for all outstanding bonds. Any remaining proceeds in these districts of the sale or exchange and all proceeds in districts without outstanding bonds shall be deposited in the capital expenditure fund of the district.

(2) Notwithstanding clause (1), a district with outstanding bonds which sells

a building or property in order to purchase a replacement, may apply to the commissioner to place proceeds of the sale in its capital expenditure fund in an amount necessary to purchase the replacement; provided if the district places an amount in its debt retirement fund sufficient to meet when due the principal and interest payments for all outstanding bonds on the particular building or property which is sold. A school district shall utilize the sale proceeds placed in the capital expenditure fund pursuant to this clause for the following purposes: (1) to finance energy conservation and renewable energy measures which will reduce the use of nonrenewable sources of energy; (2) to reduce or eliminate barriers or to increase access to school facilities by handicapped individuals as required by law; (3) to bring district facilities into compliance with the uniform fire code adopted pursuant to chapter 299F; and (4) to purchase a replacement building or property.

(3) Notwithstanding clauses (1) and (2), a district which sells a building or property which was initially purchased or constructed in its entirety with money from its capital expenditure fund, may place proceeds of the sale in its capital expenditure fund. A district which sold a building in the fiscal year ending June 30, 1981, which was initially purchased in its entirety with funds from its capital expenditure fund and which deposited those funds into its debt retirement fund may transfer the proceeds to its capital expenditure fund before September 1, 1981.

Sec. 14. Minnesota Statutes 1980, Section 124.14, Subdivision 2, is amended to read:

Subd. 2. If the commissioner determines that the amount of state aid distributed to a school district is in error, he is authorized to adjust the amount of aid consistent with this subdivision. If the commissioner determines that the amount of aid is in excess of the school district's entitlement, he is authorized to recover the amount of the excess by any appropriate means, including the reduction of future aid payments to the school district. Notwithstanding any law to the contrary, if the aid reduced is not of the same type as that overpaid, the school district shall adjust all necessary financial accounts to properly reflect all revenues earned in accordance with the uniform financial accounting and reporting standards pursuant to sections 121.90 to 121.92. Notwithstanding the fiscal years designated by the appropriation, if the commissioner determines that the amount of an aid paid is less than the school district's entitlement, he is authorized to increase such aid from the current appropriation.

Sec. 15. Minnesota Statutes 1980, Section 124.212, Subdivision 8a, is amended to read:

Subd. 8a. (1) Notwithstanding any provisions of any other law to the contrary, the adjusted assessed valuation used in calculating foundation aid shall include only that property which is currently taxable in the district. For districts which received payments under section 124.28 the foundation aid shall be reduced by: The previous year's payment to the district pursuant to said sections times the ratio of the maximum levy allowed the district under section 275.125, subdivision 2a, to the total levy allowed by section 275.125, but not to exceed 50 percent of the previous year's payment.

(2) For districts which received payments under sections 294.21 to 294.26; 298.23 to 298.28; 298.34 to 298.39; 298.391 to 298.396; 298.405; 298.51 to

298.67; 477A.15; any law imposing a tax upon severed mineral values, or under any other law distributing proceeds in lieu of ad valorem tax assessments on copper or nickel properties, *or recognized revenue pursuant to section 477A.15*; the foundation aid shall be reduced in the October adjustment payment by the difference between the dollar amount of the payments received pursuant to those sections, *or revenue recognized pursuant to section 477A.15* in the fiscal year to which the October adjustment is attributable and the amount which was calculated, pursuant to section 275.125, subdivision 9, as a reduction of the levy attributable to the fiscal year to which the October adjustment is attributable. If the October adjustment of a district's foundation aid for a fiscal year is a negative amount because of this clause, the next fiscal year's foundation aid to that district shall be reduced by this negative amount in the following manner: there shall be withheld from each monthly scheduled foundation aid payment due the district in such fiscal year, 15 percent of the total negative amount, until the total negative amount has been withheld. The amount reduced from foundation aid pursuant to this clause shall be recognized as revenue in the fiscal year to which the October adjustment payment is attributable.

Sec. 16. Minnesota Statutes 1980, Section 124.39, Subdivision 5, is amended to read:

Subd. 5. [LOAN REPAYMENT ACCOUNT; TRANSFER AND INVESTMENT OF MONEYS.] All moneys deposited to the credit of the loan repayment account and not required for the payment of principal and interest and costs as prescribed in subdivision 4 shall be transferred to the credit of the debt service loan account on July 1 of each year, and ~~such those moneys are hereby~~ annually appropriated ~~in such to that~~ account for the purposes prescribed by the maximum effort school aid law; except that the ~~committee~~ commissioner may retain in the loan repayment account any amount which ~~it~~ the commissioner estimates will not be needed for loans in the fiscal year commencing July 1. Moneys deposited to the credit of the loan repayment account and not required for ~~such the~~ transfers or for the payment of principal and interest due on school loan bonds may be invested and reinvested in securities which are general obligations of the United States or the state of Minnesota. When all school loan bonds have been fully paid with interest accrued thereon, the balance remaining in ~~said the~~ account shall be transferred to the state bond fund.

Sec. 17. Minnesota Statutes 1980, Section 124.40, Subdivision 2, is amended to read:

Subd. 2. [LOANS.] Any amounts remaining in the fund on July 1 of each year, including any unused portion of the appropriation made in subdivision 1, shall be available for use by the ~~committee~~ commissioner in making further debt service loans and capital loans.

Sec. 18. Minnesota Statutes 1980, Section 124.41, is amended to read:

124.41 [SCHOOL LOANS.]

Subdivision 1. [AUTHORIZATION.] ~~The members of the equalization aid review committee defined in section 124.212, subdivision 10; commissioner~~ shall receive and consider applications for and grant or deny loans under sections 124.36 to 124.47.

Subd. 2. [APPLICATION FORMS; RULES.] The ~~committee~~ *commissioner*, with the assistance of the attorney general or an assistant designated by him, shall prepare forms of applications for debt service loans and capital loans and instruments evidencing ~~such the~~ *such* loans, and shall promulgate ~~regulations~~ *rules* to facilitate ~~its the commissioner's~~ *the commissioner's* operations in compliance with sections 124.36 to 124.47, ~~and such regulations~~. *The rules* shall be subject to the procedure set forth in sections 15.0411 to 15.0422.

Subd. 3. [STAFF.] The ~~committee~~ *commissioner* may employ a clerk, *for purposes of sections 124.41 to 124.476* who may be designated assistant secretary, to serve at ~~its the commissioner's~~ *the commissioner's* pleasure and to be in unclassified service of the state, and ~~fix his the assistant secretary's~~ *fix his* compensation, which shall be paid out of the administration account of the fund.

Sec. 19. Minnesota Statutes 1980, Section 124.42, Subdivision 1, is amended to read:

Subdivision 1. [QUALIFICATION; APPLICATION; AWARD; INTEREST.] Any school district in which the required levy for debt service in any year will exceed its maximum effort debt service levy by ten percent or by \$5,000, whichever is less, is qualified for a debt service loan hereunder in an amount not exceeding the amount applied for, and not exceeding one percent of the net debt of the district, and not exceeding the difference between the required and the maximum effort debt service levy in ~~such that~~ *such* year. Applications shall be filed with the ~~committee~~ *commissioner* in each calendar year up to and including September 15. The ~~committee~~ *commissioner* shall determine whether the applicant is entitled to ~~such a~~ *such* loan and the amount thereof, and on or before October 1 shall certify to each applicant district the amount granted and its due date. ~~A copy of each such certificate shall be filed with the commissioner. Upon receipt by the commissioner of a copy of the committee's certificate that the loan is granted, the commissioner shall notify the county auditor or county auditors of each county in which the district is located that the amount so certified is available and appropriated for payment of principal and interest on its outstanding bonds, and such the auditors shall reduce by that amount the taxes otherwise leviable as the district's debt service levy on the tax rolls for such that year. Each debt service loan shall bear interest from its date at a rate determined by the commissioner of finance annually, at the multiple of one-tenth of one percent per annum next higher than the average annual rate payable on Minnesota state school loan bonds from time to time outstanding, but in no event less than 3 1/2 percent per annum on the principal amount from time to time remaining unpaid, payable on December 15 of the year next following that in which the loan is received and annually thereafter.~~

Sec. 20. Minnesota Statutes 1980, Section 124.42, Subdivision 2, is amended to read:

Subd. 2. [NOTE.] Each debt service loan shall be evidenced by a note which shall be executed ~~in on~~ *on* behalf of the district by the signatures of its chairman or vice chairman and the school district clerk, shall be dated November 1 of the year in which executed, and shall state its principal amount, interest rate, and that it is payable at the commissioner's office. It shall have printed thereon, or the commissioner shall attach thereto, a grill for entry of the date and amount of each payment and allocations of each payment to accrued interest or principal, and a certificate to be executed by the county auditor of each county in which

any portion of the school district is situated, prior to the delivery of the note, stating that ~~such~~ the county auditor has entered the debt service loan evidenced thereby in his bond register. ~~Such~~ The notes shall be delivered to the ~~committee~~ commissioner not later than November 15 of the year in which executed. The ~~secretary~~ commissioner shall cause a record to be made and preserved showing the obligor district and the date and principal amount of each note, and shall then deliver it to the commissioner who shall make suitable record thereof.

Sec. 21. Minnesota Statutes 1980, Section 124.43, Subdivision 1, is amended to read:

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

(1) The amount voted by the district under subdivision 2;

(2) Plus the aggregate principal amount of general obligation bonds of the district outstanding on the date of approval, not exceeding the limitation on net debt of the district in section 475.53, subdivision 4, or 22.5 percent of the adjusted assessed value, whichever is less;

(3) Less the maximum net debt permissible for the district on the date of approval, under the limitation in section 475.53, subdivision 4, or 22.5 percent of the adjusted assessed value, whichever is less; and

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

Sec. 22. Minnesota Statutes 1980, Section 124.43, Subdivision 2, is amended to read:

Subd. 2. [DISTRICT PROCEDURES.] The school board of any district desiring a loan shall adopt a resolution stating the amount proposed to be borrowed, the purpose for which the debt is to be incurred, and an estimate of the dates when the facilities for which the loan is requested will be contracted

for and completed. The question of authorizing the borrowing of funds for the facilities shall be submitted to the voters of the district at a regular or special election. The question submitted shall state the total amount to be borrowed from all sources. A majority of those voting on the question shall be sufficient to authorize the district to effect the state loan *application* and also to issue the bonds on public sale in accordance with chapter 475. Applications for loans shall be accompanied by (a) a copy of ~~such the~~ resolution, (b) a certificate by the clerk showing the vote at the election, (c) a certificate by the clerk and treasurer showing the then outstanding indebtedness of the district, and (d) a certificate by the county auditor of each county in which a portion of the district lies showing the information in his official records which is required to be used in computing the debt limit of the district under section 475.53, subdivision 4. The clerk's and treasurer's certificate shall show, as to each outstanding bond issue, the amount originally issued, the purpose for which issued, the date of issue, the amount remaining unpaid as of the date of the resolution, and the interest rates and due dates and amounts of principal thereon. Applications shall be in ~~such the~~ form and accompanied by such additional data as the ~~committee~~ commissioner and state board of education shall prescribe, which may include a statement from the state department of education as to the district's need of the proposed schoolhouses in comparison with needs of other districts. When an application is received, the ~~committee~~ commissioner shall obtain from the commissioner of revenue, and from the public utilities commission when required, the information in their official records which is required to be used in computing the debt limit of the district under section 475.53, subdivision 4.

Sec. 23. Minnesota Statutes 1980, Section 124.43, Subdivision 3, is amended to read:

Subd. 3. [AWARD OF LOANS.] The ~~committee~~ commissioner shall examine and consider all applications for capital loans which have been recommended by the state board of education, and if any applicant district is found not qualified it shall be promptly notified thereof. On January 1 and July 1 of each year, the ~~committee~~ commissioner shall make ~~its~~ a determination on all pending applications which have been on file with ~~it~~ the commissioner more than one month. If an applicant is qualified in the opinion of the ~~committee~~ commissioner and the aggregate of the amounts applied for does not exceed the amount available or which can be made available in the capital loan account, all loans ~~so~~ applied for shall be granted, subject to acceptance by the respective districts as specified below. If the aggregate exceeds the amount which is or can be made available, the ~~committee~~ commissioner shall allot the available amount among the qualified applicant districts, or any of them, according to the ~~committee's~~ commissioner's judgment and discretion based upon their respective needs. The ~~committee~~ commissioner shall promptly certify to each qualified applicant district the amount, if any, of the capital loan granted to it, subject to adjustment under subdivision 1, clause (4).

Sec. 24. Minnesota Statutes 1980, Section 124.43, Subdivision 4, is amended to read:

Subd. 4. [CONTRACT; LEVY; REPAYMENT.] Each capital loan shall be evidenced by a contract between the school district and the state acting through the ~~committee~~ commissioner. It shall obligate the state to pay to the district, out of the maximum effort school loan fund, an amount computed as provided in

subdivision 1, upon receipt by the ~~committee~~ commissioner of a certified resolution of the school board reciting that contracts for construction of the facilities for which the loan is granted have been awarded and that bonds of the district have been issued and sold in the amount necessary to pay all costs thereof in excess of the amount of the loan, and estimating ~~such~~ the costs. It shall obligate the district to repay the loan out of the excesses of its maximum effort debt service levy over its required debt service levy, including interest at a rate determined annually by the commissioner of finance, at the multiple of one-tenth of one percent per annum next higher than the average annual rate payable on Minnesota state school loan bonds, but in no event less than 3 1/2 percent per annum on the principal amount from time to time unpaid. The district shall each year, as long as it is indebted to the state, levy for debt service (a) the amount of its maximum effort debt service levy or (b) the amount of its required debt service levy, whichever is greater, except as ~~such~~ the required debt service levy may be reduced by a loan under section 124.42. Whenever the maximum effort debt service levy is greater, the district shall remit to the commissioner within ten days after its receipt of the last regular tax distribution in each year, that portion of the debt service tax collections; including penalties and interest, which exceeded the required debt service levy. The commissioner shall supervise the collection of outstanding accounts due the fund and may, by notice to the proper county auditor require the maximum levy to be made as required hereunder. Interest on capital loans shall be paid on December 15 of the year next following that in which the loan is granted and annually thereafter. On or before November 1 in each year the commissioner shall notify the county auditor of each county containing taxable property situated within the school district of the amount of the maximum effort debt service levy of the district for that year, and ~~said~~ the county auditor or auditors shall extend upon the tax rolls an ad valorem tax upon all taxable property within the district in the aggregate amount so certified. ~~In the event that~~ If any capital loan is not paid within 30 years after it is granted from maximum effort debt service levies in excess of required debt service levies, the liability of the school district thereon shall be satisfied and discharged and interest thereon shall cease. After a district's capital loan has been outstanding for 20 years, the district shall not issue bonds on the public market except for the purpose of refunding ~~such a~~ the loan.

Sec. 25. Minnesota Statutes 1980, Section 124.43, Subdivision 5, is amended to read:

Subd. 5. [PARTICIPATION BY COUNTY AUDITOR; RECORD OF CONTRACT; PAYMENT OF LOAN.] Before delivery of any capital loan contract, the school district shall file a copy thereof with the county auditor of each county in which any portion of the district is situated, and shall obtain from each ~~such~~ county auditor and furnish to the ~~committee~~ commissioner a certificate stating that ~~such~~ the county auditor has entered the capital loan evidenced thereby in his bond register. As each executed contract is delivered to the ~~committee~~ commissioner, ~~its secretary~~ the commissioner shall cause a record thereof to be made and preserved showing the name and address of the district, the date of the contract, and the amount of the loan initially approved in accordance with subdivision 1. Upon receipt of the resolution required in subdivision 4, the commissioner shall issue a warrant on the capital loan account for the amount which may be disbursed in accordance with subdivision 1, payable on presentation to the state treasurer. On presentation the treasurer

shall remit the amount to the district and enter the date and amount in his account with the district. Interest thereon shall accrue from ~~such~~ that date.

Sec. 26. Minnesota Statutes 1980, Section 124.474, is amended to read:

124.474 [BOND ISSUE, MAXIMUM EFFORT SCHOOL LOANS; 1969.]

For the purpose of providing moneys to be loaned to school districts as agencies and political subdivisions of the state for the acquisition and betterment of public land and buildings and other public improvements of a capital nature, in the manner provided by the maximum effort school aid law, the commissioner of finance is directed to issue and sell school loan bonds of the state of Minnesota in the maximum amount of \$20,000,000, in addition to the bonds heretofore authorized for this purpose, which amount is appropriated to the maximum effort school loan fund and shall be expended under the direction of the ~~school loan committee~~ commissioner for the making of debt service loans and capital loans to school districts as provided in sections 124.36 to 124.47. These bonds shall be issued and sold and provision for the payment thereof shall be made in accordance with section 124.46, and an amount sufficient to pay interest on the bonds to and including July 1 in the second year after the date of issue shall be credited from the bond proceeds to the school loan bond account in the state bond fund. Any expenses incidental to the sale, printing, execution, and delivery of the bonds, including, but without limitation, actual and necessary travel and subsistence expenses of state officers and employees for ~~such~~ those purposes, shall be paid from the maximum effort school loan fund, and the amounts necessary therefor are appropriated from ~~such fund~~ it.

Sec. 27. Minnesota Statutes 1980, Section 124.476, is amended to read:

124.476 [BOND ISSUE, MAXIMUM EFFORT SCHOOL LOANS; 1980.]

For the purpose of providing moneys to be loaned to school districts as agencies and political subdivisions of the state for the acquisition and betterment of public land and buildings and other public improvements of a capital nature, in the manner provided by the maximum effort school aid law, the commissioner of finance is directed to issue and sell school loan bonds of the state of Minnesota in the maximum amount of \$20,000,000, in addition to the bonds heretofore authorized for this purpose, which amount is appropriated to the maximum effort school loan fund and shall be expended under the direction of the ~~equalization aid review committee~~ commissioner for the making of debt service loans and capital loans to school districts as provided in sections 124.36 to 124.47. These bonds shall be issued and sold and provision for their payment shall be made in accordance with section 124.46, and an amount sufficient to pay interest on the bonds to and including July 1 in the second year after the date of issue shall be credited from the bond proceeds to the school loan bond account in the state bond fund. Any expenses incidental to the sale, printing, execution, and delivery of the bonds, including, but without limitation, actual and necessary travel and subsistence expenses of state officers and employees for those purposes, shall be paid from the maximum effort school loan fund, and the amounts necessary for the expenses are appropriated from it.

Sec. 28. Laws 1973, Chapter 683, Section 26, Subdivision 13, is amended to read:

Subd. 13. *Nothing contained in this section shall be construed to prohibit any pupil residing in District No. 309 from attending the experimental school*

established by this section. ~~Nothing~~ Nor shall anything contained in this section be construed to prohibit any pupil residing on land within the refined boundaries of the experimental school as set out in subdivision 1 from attending enrolling at the beginning of a school year in any other school within District No. 309. Nor shall anything contained in this section be construed to prohibit any pupil residing in District No. 309 from attending the experimental school established by this section. Notwithstanding any law to the contrary, a pupil who enrolls in the experimental school at any time during a school year shall not be permitted to attend any other school within District No. 309 as a resident for purposes of receiving a tuition free education subsequently during that school year.

Sec. 29. [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, Section 28, is amended to read:

Subd. 17. The provisions of this section shall expire July 1, ~~1981~~ 1983. 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. 30. [REPEALER.]

Minnesota Statutes 1980, Sections 116H.126, Subdivisions 1 and 7; 120.06, Subdivision 2; 121.13; 121.49, Subdivision 2; 121.495, Subdivision 6; 123.40, Subdivision 5; 123.703, Subdivision 3; and 124.247, Subdivision 5, are repealed.

Sec. 31. [EFFECTIVE DATE.]

Section 13 of this article shall be effective the day following final enactment.

ARTICLE VIII

TEACHER MOBILITY

Section 1. Minnesota Statutes 1980, Section 125.60, Subdivision 2a, is amended to read:

Subd. 2a. Any school board which denies a request for an extended leave of absence pursuant to this section shall report this denial and the reasons therefor to the commissioner within 30 days. Prior to February 1, ~~1979~~ and each year thereafter, the commissioner shall file a written report with the education committees of the legislature on any denials reported pursuant to this subdivision.

Sec. 2. Minnesota Statutes 1980, Section 125.60, Subdivision 7, is amended to read:

Subd. 7. No school board shall grant an extended leave of absence pursuant to this section without applying for and receiving authorization from the commissioner of education. The commissioner of education shall establish dead-

lines and procedures for applications pursuant to this subdivision and shall approve or disapprove applications pursuant to this subdivision within the limits of the appropriation for the purposes of sections 354.094 and 354A.091. *Each application shall state whether 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.*

Sec. 3. Minnesota Statutes 1980, Section 125.611, Subdivision 1, is amended to read:

Subdivision 1. For purposes of this section, "teacher" means a teacher as defined in section 125.03, subdivision 1, who:

(a) is employed in the public elementary, secondary or area vocational-technical schools in the state; ~~who and~~

(b) either

(1)(i) has not less than 15 total years of full time teaching service in elementary, secondary and area vocational-technical schools, and

(ii) ~~who~~ has or will have attained the age of 55 years but less than 65 years as of the June 30 in the school year during which an application for an early retirement incentive is made, or

(2) *has not less than 30 total years of full time teaching service in elementary, secondary and area vocational-technical schools.*

Sec. 4. Minnesota Statutes 1980, Section 125.611, Subdivision 3, is amended to read:

Subd. 3. A teacher meeting the requirements of subdivision 1 may apply to the school board of the employing district for a contract for termination of his services, withdrawal from active teaching service; and payment of an early retirement incentive. This application shall be submitted on or before June 1 of the school year at the end of which the teacher wishes to retire, and shall be submitted on the form established by the commissioner of education for this purpose. *A teacher is not eligible for an early retirement incentive if he has ever been granted an extended leave of absence, pursuant to section 125.60, and has not been reemployed with the district at least three years prior to making an application for an early retirement incentive.*

Sec. 5. Minnesota Statutes 1980, Section 125.611, Subdivision 8, is amended to read:

Subd. 8. An eligible teacher ~~who is or will be 55 years of age as of the end of the school year during which an application for an early retirement incentive is made and accepted~~ shall receive an early retirement incentive in the amount of \$10,000. This amount shall be reduced by \$500 for each year that a teacher is over the age of 55 years to a maximum age of 60 years and by an additional \$1,500 for each year that a teacher is over the age of 60 years. The age of the teacher shall be determined as of the June 30 in the school year during which the application for the early retirement incentive is made.

Sec. 6. Minnesota Statutes 1980, Section 125.611, Subdivision 9, is amended to read:

Subd. 9. Notwithstanding the provisions of subdivision 8, an eligible teacher ~~who wishes to retire at the end of the 1979-1980, 1980-1981, or 1981-1982 school year,~~ who is employed by a school district which is implementing a desegregation plan ordered by federal court or approved by the state board, and who is offered and accepts an early retirement incentive contract pursuant to subdivision 7, shall receive an early retirement incentive in the amount of \$15,000. This amount shall be reduced by \$750 for each year that a teacher is over the age of 55 years to a maximum age of 60 years and by an additional \$2,250 for each year that a teacher is over the age of 60 years. The age of the teacher shall be determined as of the June 30 in the school year during which the application for the early retirement incentive is made.

Sec. 7. Minnesota Statutes 1980, Section 354.094, Subdivision 1, is amended to read:

Subdivision 1. If a member is granted an extended leave of absence pursuant to section 125.60 or 136.88, he may receive allowable service credit toward annuities and other benefits under this chapter, for each year of his leave by paying into the fund employee contributions during the period of the leave which shall not exceed five years. The state shall pay employer contributions into the fund for each year for which a member who is on extended leave pays employee contributions into the fund. *If at any time state funds are not available for the purpose of making employer contributions the executive director shall, at least 60 days prior to the due date, notify the member and the employing school board or board as defined in section 136.88 of this fact. The member or the employing school board or board when so notified may make the required employer contribution, in any proportion which they may agree upon, by the date required by this subdivision.* The employee and employer contributions shall be based upon the rates of contribution prescribed by section 354.42 for the salary received during the year immediately preceding the extended leave. Payments for the years for which a member is receiving service credit while on extended leave shall be made on or before June 30 of each fiscal year for which service credit is received.

Sec. 8. Minnesota Statutes 1980, Section 354A.091, Subdivision 1, is amended to read:

Subdivision 1. Notwithstanding any provision to the contrary of this chapter or the articles of incorporation or bylaws of an association relating to the salary figure to be used for the determination of contributions or the accrual of service credit, an elementary, secondary or area vocational-technical school teacher in the public schools of a city of the first class who is granted an extended leave of absence pursuant to section 125.60 shall be entitled to receive allowable service credit in the applicable association for each year of leave. To obtain the service credit, the teacher on extended leave shall make an employee contribution to the applicable association each year during the period of the leave. The extended leave period for which a teacher shall be entitled to receive allowable service credit pursuant to this section shall not exceed the leave duration maximum set forth in section 125.60, subdivision 2. If the teacher on extended leave makes the employee contribution pursuant to this section during a leave of absence year, the state shall make an employer contribution on behalf of the teacher to the ~~applicable~~ appropriate association for that year. The employee and employer contributions shall be in an amount equal to the employee and employer contribution rates in effect for other active members of the associa-

tion covered by the same program applied to a salary figure equal to the teacher's actual covered salary for the plan year immediately preceding the leave. Payment of the employee contribution authorized pursuant to this section shall be made by the teacher on or before June 30 of the fiscal year for which service credit is to be obtained, and payment of the employer contribution shall be made by the state within 30 days of notification by the association of receipt of the required employee contribution. *If at any time state funds are not available for the purpose of making employer contributions the association shall, at least 60 days prior to the due date, notify the teacher and the employing school board of this fact. The teacher or the employing school board when so notified may make the required employer contribution, in any proportion which they may agree upon, by the date required by this subdivision.* No allowable service with respect to a year of extended leave of absence shall be credited to a teacher until payment of the required employee and employer contributions has been received by the association.

Sec. 9. [APPROPRIATION.]

To meet the state's obligation prescribed in Minnesota Statutes, Sections 124.611, 354.094, 354.66, 354A.091, and 354A.094, there is appropriated for the fiscal year ending June 30:

\$3,050,038 1982,

\$3,510,771 1983.

(a) Any unexpended fund balance remaining from the appropriations in this section for 1982 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.

(b) Notwithstanding the provisions of Minnesota Statutes 1980, Sections 354.43 and 354A.12, the state's obligations prescribed in Minnesota Statutes 1980, 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 1980, Chapter 354 or 354A.

Sec. 10. [EFFECTIVE DATE.]

Sections 7 and 8 of this article shall be effective the day following final enactment.

Amend the title as follows:

Page 1, delete lines 2 to 5 and insert:

"relating to education; providing for aids to education, aids to libraries, tax levies and the distribution of tax revenues; granting certain duties and powers to school boards, school districts, the state board of education, and the state board for vocational education; requiring a property accounting system for AVTT's; providing for an arts in education program; providing for a low-power T.V. education project; modifying criteria for participation in teacher mobility and early retirement programs; providing for the transfer of proceedings from the sale or exchange of buildings to the capital expenditure fund under certain circumstances; appropriating money; amending Minnesota Statutes 1980, Sections 3.9279, Subdivisions 10 and 12; 116H.126, Subdivisions 2, 4 and 5; 120.0751, Subdivision 5; 120.17, Subdivisions 1a, 3b, 4, 5a, 6, 7 and by adding a subdivision; 120.78; 121.90; 121.902, by adding a subdivision;

121.904, by adding a subdivision; 121.906, Subdivisions 2 and 3; 121.912, Subdivision 1; 121.917, Subdivision 4; 121.931, Subdivision 6; 121.934, Subdivision 7; 121.935, Subdivisions 2 and 6; 121.936, Subdivisions 2, 3 and by adding a subdivision; 121.937, Subdivision 1; 121.938, Subdivision 2; 123.35, Subdivision 15; 123.36, Subdivision 13; 123.39, Subdivision 1 and by adding a subdivision; 123.705; 124.01, Subdivisions 2, 3, 4 and by adding a subdivision; 124.11, Subdivisions 1, 2a, 2b and by adding a subdivision; 124.14, Subdivision 2; 124.17, by adding a subdivision; 124.20; 124.212, Subdivisions 1, 7d, 8a, 9a and by adding subdivisions; 124.223; 124.225, Subdivisions 1, 1a, 2, 3, 4a, 5, 6, 7a, 8a, 8b, 9, 11 and by adding a subdivision; 124.247, Subdivision 3; 124.26, Subdivisions 1, 4 and by adding a subdivision; 124.271, Subdivisions 2, 4, 5 and by adding subdivisions; 124.32, Subdivisions 1, 6, 9 and by adding a subdivision; 124.39, Subdivision 5; 124.40, Subdivision 2; 124.41; 124.42, Subdivisions 1 and 2; 124.43, Subdivisions 1, 2, 3, 4 and 5; 124.474; 124.476; 124.561, Subdivisions 2a, 3a and by adding subdivisions; 124.5621, Subdivisions 5, 6 and 12; 124.5622, Subdivisions 3, 4 and 5; 124.5623, Subdivisions 4 and 5; 124.5624, Subdivisions 3, 4 and 6; 124.565, Subdivisions 3, 4, 6 and 7; 124.572, Subdivisions 3, 8 and by adding subdivisions; 124.573, Subdivisions 2, 3, 3a, 5 and by adding subdivisions; 124.574, Subdivisions 2, 4 and 8; 124.646, Subdivision 1; 125.60, Subdivisions 2a and 7; 125.611, Subdivisions 1, 3, 8 and 9; 126.262, Subdivision 8; 126.54, Subdivision 1; 134.35, Subdivision 1; 134.351, Subdivision 5 and by adding subdivisions; 134.36; 273.138, Subdivisions 1 and 6; 275.125, Subdivisions 2a, 6b, 6c, 7a, 8, 9, 11a and by adding subdivisions; 298.28, Subdivision 1; 354.094, Subdivision 1; 354A.091, Subdivision 1; 375.335, Subdivision 4 and by adding subdivisions; and Laws 1973, Chapter 683, Section 26, Subdivisions 13 and 17, as amended; proposing new law coded in Minnesota Statutes, Chapters 3; 121; 124; and 275; repealing Minnesota Statutes 1980, Sections 3.9279, Subdivision 13; 116H.126, Subdivisions 1 and 7; 120.06, Subdivision 2; 120.17, Subdivision 3c; 121.13; 121.49, Subdivision 2; 121.495, Subdivision 6; 123.40, Subdivision 5; 123.703, Subdivision 3; 123.937; 124.225, Subdivisions 4, 7 and 8; 124.247, Subdivision 5; 124.26, Subdivision 3; 124.271, Subdivision 1a; 124.561, Subdivision 4; 124.562, Subdivisions 3 and 4; 124.566; 124.571; 126.263; 273.138, Subdivision 3; 275.125, Subdivision 7b; and Laws 1980, Chapter 609, Article IV, Sections 19, 20 and 21."

And when so amended the bill do pass and be re-referred to the Committee on Rules and Administration. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S. F. Nos. 301 and 953 were read the second time.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Johnson moved his name be stricken as chief author, shown as second author and Mr. Pehler be added as chief author to S. F. No. 508. The motion prevailed.

Remaining on the Order of Business of Motions and Resolutions, the Senate proceeded to the Order of Business of Introduction and First Reading of Senate Bills.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the Committees indicated.

Mr. Willet, for the Committee on Finance, introduced—

S.F. No. 1392: A bill for an act relating to the organization and operation of state government; appropriating money for the department of transportation and for other agencies with certain conditions; providing for the regulation of professional wrestling; imposing a tax on the gross receipts from admission to professional wrestling exhibitions, and on the gross receipts from the lease or sale of radio, motion picture and television rights therein; providing penalties; amending Minnesota Statutes 1980, Sections 12.14; 15.0412, Subdivision 4; 16A.128; 161.242, Subdivision 4; 168.013, Subdivisions 1c and 1e; 168.12, Subdivisions 1 and 2a; 168.27, Subdivisions 16 and 17; 168.33, Subdivision 7; 169.09, Subdivision 7; 169.79; 169.974, Subdivision 2; 171.13, by adding a subdivision; 171.36; 173.25; 174.255, by adding a subdivision; 174.31; 214.06, Subdivision 1; 216B.62, Subdivision 3 and by adding a subdivision; 237.295, Subdivision 2 and by adding a subdivision; 239.10; 239.52; 270.051, Subdivision 2; 297B.035, Subdivision 2; 319A.21; 326.241, Subdivision 3; 326.244, Subdivision 2; 340.02, Subdivisions 4 and 5; 340.11, Subdivisions 3, 3a and 14; 340.113, Subdivision 2; 340.119, Subdivision 3; 340.14, Subdivision 5; 340.17; 340.18, Subdivision 4; 340.402; 340.435, Subdivision 2; 340.493, Subdivision 2; 340.62; 341.01; 341.02; 341.04; 341.05; 341.07; 341.08; 341.09; 341.10; 341.12; 341.13; 341.15; 360.021, Subdivisions 1 and 2; 360.305, by adding subdivisions; 388.14; 388.19, Subdivision 1; 473.408, Subdivisions 6 and 7; 473.411, Subdivision 1; and 626.845, by adding a subdivision; Laws 1980, Chapter 534, Section 87; proposing new law coded in Minnesota Statutes, Chapter 138; repealing Minnesota Statutes 1980, Sections 168C.01; 168C.02; 168C.03; 168C.04; 168C.05; 168C.06; 168C.07; 168C.08; 168C.09; 168C.11, 168C.12; 168C.13; and 239.521.

Under the rules of the Senate, laid over one day.

Messrs. Johnson, by request, Hanson, by request, and Peterson, C.C., by request, introduced—

S.F. No. 1393: A bill for an act relating to taxation; appropriating money for state payments to local units of government; limiting the amount of homestead credits; limiting local levies; imposing additional income taxes on individuals, estates, trusts, and corporations; limiting certain deductions; redefining the method for inflation proofing brackets, credits, and deductions; changing interest rates on delinquent taxes; rescheduling certain payments to local governments; changing definition of claimant for property tax refund and offsetting credit based on amount of medical assistance; providing for declaration and estimated payments of gross earnings tax; allowing deduction of federal taxes on the accrual basis; repealing distribution of estate taxes to counties; increasing the permissible levy for school districts to 23 mills; providing for a one year suspension of the penalty for school district underlevy; amending Minnesota Statutes 1980, Sections 124.01, Subdivision 3; 124.213; 124.212, by adding a subdivision; 270.75; 273.115, Subdivision 4; 273.116, Subdivision 4; 273.13, Subdivision 15a; 273.136, Subdivision 3; 273.138, Subdivision 5; 273.139, Subdivision 3; 275.125, Subdivision 2a; 275.50, Subdivision 2; 275.51, Subdivision 1 and by adding subdivisions; 275.55; 290.01,

Subdivisions 20 and 23; 290.06, Subdivisions 2d, 3g, and by adding subdivisions; 290.067, Subdivision 2; 290.09, Subdivisions 4, 10, and 15; 290.10; 290.18, Subdivision 2, and by adding a subdivision; 290A.03, Subdivision 8; 290A.04, by adding a subdivision; 290A.07, Subdivision 2; 477A.01, Subdivision 4b; 477A.03; 477A.13; proposing new law coded in Minnesota Statutes, Chapters 275 and 295; repealing Minnesota Statutes 1980, Sections 275.50, Subdivisions 5 and 6; 275.51, Subdivisions 3d, 4, and 5; 275.52; 275.53; 275.54; 275.551; 275.552; 275.58; 275.59 and 291.33.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Pillsbury, Renneke, Berg and Ashbach introduced—

S.F. No. 1394: A bill for an act relating to congressional districts; apportioning congressional districts; amending Minnesota Statutes 1980, Sections 2.741; 2.751; 2.761; 2.771; 2.781; 2.791; and 2.801.

Referred to the Committee on Elections and Reapportionment.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Sikorski moved that H. F. No. 326 be taken from the table. The motion prevailed.

Mr. Sikorski moved that the Senate accede to the request of the House for a Conference Committee on H. F. No. 326, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess until 7:30 p.m. The motion prevailed.

The hour of 7:30 p.m. having arrived, the President called the Senate to order.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Remaining on the Business of Motions and Resolutions, Mr. Moe, R. D. moved to take up the General Orders Calendar. The motion prevailed.

GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Willet in the chair.

After some time spent therein, the committee arose, and Mr. Willet reported that the committee had considered the following:

S. F. Nos. 461, 1264 and H. F. Nos. 659, 582 and 918, which the committee recommends to pass.

H. F. No. 889, which the committee recommends to pass, subject to the following motion:

Mr. Pehler moved that the amendment made to H. F. No. 889 by the Committee on Rules and Administration in the report adopted April 29, 1981, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

H. F. No. 54, which the committee recommends to pass with the following

amendments offered by Mrs. Brataas and Mr. Luther:

Mrs. Brataas moved to amend H. F. No. 54, as amended pursuant to Rule 49, adopted by the Senate April 28, 1981, as follows:

(The text of the amended House File is identical to S. F. No. 392.)

Page 1, line 14, delete "a"

Page 1, line 14, delete "*negotiation with its employees*" and insert "*negotiations, including negotiation strategies or developments or discussion and review of labor negotiation proposals,*"

Page 2, line 1, delete "*development,*" and insert "*developments or*"

Page 2, line 2, delete "*or*" and insert "*and*"

The motion prevailed. So the amendment was adopted.

Mr. Luther moved to amend H.F. No. 54, as amended pursuant to Rule 49, adopted by the Senate April 28, 1981, as follows:

(The text of the amended House File is identical to S.F. No. 392.)

Page 1, line 12, delete "*shall*" and insert "*may*"

Page 2, line 7, delete "*based on the recording in question*"

Page 2, line 8, delete "*sealed and*"

Page 2, line 9, delete everything after "*court*" and insert "*until otherwise made available to the public pursuant to this section.*"

Page 2, line 10, delete everything before "*If*"

Page 2, line 11, delete "*based on the recording*"

Page 2, line 13, delete "*such*" and insert "*any*"

Page 2, line 15, after "*action*" insert "*brought before or after the tape is made available to the public*"

The motion prevailed. So the amendment was adopted.

Mr. Kroening moved to amend H.F. No. 54, as amended pursuant to Rule 49, adopted by the Senate April 28, 1981, as follows:

(The text of the amended House File is identical to S. F. No. 392.)

Page 2, after line 17, insert:

"Sec. 2. [REPEALER.]

The provisions of section 1 are repealed July 1, 1983."

Renumber the sections in sequence

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 20 and nays 39, as follows:

Those who voted in the affirmative were:

Berglin	Hanson	Knoll	Menning	Stokowski
Davis	Humphrey	Kroening	Merriam	Stumpf
Dicklich	Johnson	Lindgren	Sikorski	Vega
Dieterich	Keefe	Luther	Spear	Waldorf

Those who voted in the negative were:

Ashbach	Chmielewski	Langseth	Peterson, D.L.	Schmitz
Bang	Dahl	Lantry	Peterson, R.W.	Setzepfandt
Belanger	Davies	Lessard	Petty	Taylor
Benson	Engler	Moe, D. M.	Pillsbury	Tennessee
Berg	Frank	Nelson	Purfeerst	Ulland
Bernhagen	Frederickson	Pehler	Ramstad	Wegener
Bertram	Knutson	Penny	Renneke	Willet
Brataas	Kronebusch	Peterson, C.C.	Rued	

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

S.F. No. 975, which the committee recommends to pass, after the following motion:

Mr. Kroening moved to amend S.F. No. 975 as follows:

Page 1, line 10, after "*enactment*" insert "*and shall be repealed two years after that date, so that Minnesota Statutes 1980, Section 47.203, would be reinstated at that time*"

Amend the title as follows:

Page 1, line 3, after "*loans*" insert "*for a period of two years*"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 24 and nays 32, as follows:

Those who voted in the affirmative were:

Chmielewski	Johnson	Lindgren	Pehler	Stumpf
Davis	Keefe	Luther	Peterson, D.L.	Vega
Dicklich	Kroening	Menning	Sikorski	Waldorf
Dieterich	Langseth	Merriam	Spear	Willet
Frank	Lantry	Moe, D. M.	Stokowski	

Those who voted in the negative were:

Ashbach	Brataas	Kronebusch	Petty	Setzepfandt
Bang	Dahl	Lessard	Pillsbury	Solon
Belanger	Davies	Nelson	Purfeerst	Taylor
Benson	Engler	Othoff	Ramstad	Ulland
Berg	Frederick	Penny	Renneke	
Bernhagen	Frederickson	Peterson, C.C.	Rued	
Bertram	Hanson	Peterson, R.W.	Schmitz	

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

H. F. No. 28, which the committee recommends to pass with the following amendments offered by Mr. Hanson:

Mr. Hanson moved to amend H.F. No. 28, the unofficial engrossment, as follows:

Page 1 of the Bernhagen amendment, adopted by the Senate April 30, 1981, delete lines 6 and 7

Page 2 of the unofficial engrossment, lines 28 and 29, delete "*private pension fund*" and insert "*benevolent trust*"

Page 2, line 29, after "*by*" insert "*the owners of*"

Page 6, after line 7, insert:

"(p) An interest in the title to agricultural land acquired by a pension fund

or family trust established by the owners of a family farm, authorized farm corporation or family farm corporation, but limited to the farm on which one or more of those owners or shareholders have resided or have been actively engaged in farming as required by subdivision 2, clause (b), (c), or (d)."

The motion prevailed. So the amendment was adopted.

Mr. Hanson then moved to amend the Bernhagen amendment to H.F. No. 28, adopted by the Senate April 30, 1981, as follows:

Delete the amendment to page 3, line 6

The motion prevailed. So the amendment to the Bernhagen amendment was adopted.

S. F. No. 876, which the committee recommends to pass with the following amendment offered by Mr. Spear:

Page 60, line 21, after the period, insert *"No political subdivision may impose or enforce any additional limitations on the political activities of its employees."*

The motion prevailed. So the amendment was adopted.

H. F. No. 306, which the committee reports progress, subject to the following motion:

Mr. Luther moved to amend H.F. No. 306, the unofficial engrossment, as follows:

Page 2, line 7, delete *": provided however, in any prosecution"* and insert a period

Page 2, line 11, delete *": provided that"* and insert a period

Page 2, line 14, delete *"or"* and insert *"and the benefit, consideration, compensation, or reward received in connection with"*

Page 2, line 14, after *"offenses"* at the end of the line, insert *"may be"*

The motion prevailed. So the amendment was adopted.

H. F. No. 306 was then progressed.

H. F. No. 886, which the committee recommends to pass with the following amendment offered by Mr. Merriam:

Amend H. F. No. 886, as amended pursuant to Rule 49, adopted by the Senate April 27, 1981, as follows:

(The text of the amended House File is identical to S.F. No. 1277.)

Page 2, line 16, delete *"or"*

Page 2, line 23, before the period, insert *": or*

(h) The tenant has repeatedly committed serious violations of the lease or provisions of a local ordinance or state law or rule relating to mobile homes, and the lessor has given the tenant written notice of the violations and has given the tenant a written warning that any future violation will be treated as cause for eviction as provided in this paragraph, and within six months of receiving the warning the tenant violates any material provision of the lease or

any provision of a local ordinance or state law or rule relating to mobile homes"

The motion prevailed. So the amendment was adopted.

S. F. No. 1305, which the committee recommends to pass with the following amendments offered by Mr. Chmielewski:

Page 3, after line 11, insert:

"Sec. 3. [CLOQUET WATER TREATMENT PLANT APPROPRIATION; EXTENSION.]

Notwithstanding any other provision of law to the contrary, so much of the appropriation made available to the city of Cloquet for use in constructing a water filtration system pursuant to Laws 1975, Chapter 437, Article XI, Section 2, Subdivision 2, as has not been expended shall remain available to the city until July 1, 1986, or until expended for the purpose for which it was appropriated."

Page 3, line 13, delete "section" and insert "of sections 1 and 2"

Page 3, line 15, after the period, insert "Section 3 is available the day following final enactment."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after "Duluth" insert "and the city of Cloquet"

Page 1, line 3, after "the" insert "Duluth" and after the semicolon, insert "extending the availability of an appropriation to the city of Cloquet for the purpose of constructing a water filtration plant;"

The motion prevailed. So the amendment was adopted.

Mr. Chmielewski then moved to amend S.F. No. 1305 as follows:

Page 3, after line 11, insert:

"Sec. 3. [CITY OF HERMANTOWN; WATER SERVICE CONTRACT.]

The city of Hermantown shall enter into a contract with the city of Duluth no later than January 1, 1982, providing for the furnishing of water services by the city of Duluth to the city of Hermantown. If the contract is not concluded by that date, the public utilities commission shall, within 60 days, establish the rates and terms under which the service shall be provided."

Page 3, line 13, delete "section" and insert "of sections 1 and 2"

Page 3, line 15, after the period, insert "Section 3 is effective the day following final enactment."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after "Duluth" insert "and the city of Hermantown"

Page 1, line 3, after "the" insert "Duluth" and after the semicolon, insert "requiring the public utilities commission to set the terms for water service to be provided by the city of Duluth to the city of Hermantown unless the cities

conclude a contract governing those services;"

The motion prevailed. So the amendment was adopted.

S. F. No. 1179, which the committee recommends to pass with the following amendments offered by Messrs. Davies and Peterson, C.C.:

Mr. Davies moved to amend S. F. No. 1179 as follows:

Page 4, delete section 3

Page 4, lines 30 to 36, delete the new language

Page 5, lines 1 to 4, delete the new language

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 17, delete "Subdivisions 2 and" and insert "Subdivision"

The motion prevailed. So the amendment was adopted.

Mr. Peterson, C.C. moved to amend S.F. No. 1179 as follows:

Amend the title as follows:

Page 1, line 5, delete "directing the state auditor to"

Page 1, delete line 6

Page 1, line 7, delete "payments;"

The motion prevailed. So the amendment was adopted.

S. F. No. 665, which the committee recommends to pass with the following amendment offered by Mr. Penny:

Page 2, line 28, after "contain" insert "(1)"

Page 2, line 30, after the comma, insert "(2)"

Page 2, line 34, after "and" insert "(3) the policy must provide the" and delete "for each category"

Page 2, line 35, before the period, insert "for the supplement specified"

The motion prevailed. So the amendment was adopted.

On motion of Mr. Willet, the report of the Committee of the Whole, as kept by the Secretary, was adopted.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Willet moved that H. F. No. 1434 be withdrawn from the Committee on Finance and laid on the table. The motion prevailed.

Mr. Moe, R.D. moved that the Senate do now adjourn until 9:30 a.m.,

Friday, May 1, 1981. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate