

THIRTY-SIXTH DAY

St. Paul, Minnesota, Tuesday, April 9, 1985

The Senate met at 1:00 p.m. and was called to order by the President.

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.

Prayer was offered by the Chaplain, Rev. Tim Baltes.

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

Adkins	Diessner	Knutson	Nelson	Samuelson
Anderson	Dieterich	Kroening	Novak	Schmitz
Belanger	Frank	Kronebusch	Olson	Sieloff
Benson	Frederick	Laidig	Pehler	Solon
Berg	Frederickson	Langseth	Peterson, C.C.	Spear
Berglin	Freeman	Lantry	Peterson, D.C.	Storm
Bernhagen	Gustafson	Lessard	Peterson, D.L.	Stumpf
Bertram	Hughes	Luther	Peterson, R.W.	Taylor
Chmielewski	Isackson	McQuaid	Petty	Waldorf
Dahl	Johnson, D.J.	Mehrkens	Purfeerst	Wegscheid
Davis	Jude	Merriam	Ramstad	Willet
DeCramer	Kamrath	Moe, D.M.	Reichgott	
Dicklich	Knaak	Moe, R.D.	Renneke	

The President declared a quorum present.

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

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received and referred to the committees indicated.

February 21, 1985

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment to the State Designer Selection Board is hereby respectfully submitted to the Senate for confirmation as required by law:

John D. Nagel, 4127 York Ave. S., Minneapolis, Hennepin County, has been appointed by me, effective February 11, 1985, for a term expiring the

first Monday in January, 1989.

(Referred to the Committee on Governmental Operations.)

March 11, 1985

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointments to the State Board of Education are hereby respectfully submitted to the Senate for confirmation as required by law:

Eunice Johnson, Rt. 2, Box 64, Butterfield, Watonwan County, has been appointed by me, effective February 27, 1985, for a term expiring the first Monday in January, 1987.

Thomas R. Lindquist, 12393 Flag Ave. S., Savage, Scott County, has been appointed by me, effective February 27, 1985, for a term expiring the first Monday in January, 1989.

Douglas Wallace, 5009 Wentworth Ave. S., Minneapolis, Hennepin County, has been appointed by me, effective February 27, 1985, for a term expiring the first Monday in January, 1989.

Marjorie Johnson, Box 224, Lake Park, Becker County, has been appointed by me, effective February 27, 1985, for a term expiring the first Monday in January, 1988.

(Referred to the Committee on Education.)

Sincerely,

Rudy Perpich, Governor

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned: S.F. No. 247.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 4, 1985

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 546: A bill for an act relating to agriculture; appropriating money for the state board of vocational technical education and the agricultural extension service of the University of Minnesota.

Senate File No. 546 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 8, 1985

CONCURRENCE AND REPASSAGE

Mr. Wegscheid moved that the Senate concur in the amendments by the House to S.F. No. 546 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 546 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 54 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Jude	Merriam	Reichgott
Anderson	Dicklich	Kamrath	Moe, D. M.	Renneke
Belanger	Diessner	Kroening	Moe, R. D.	Samuelson
Benson	Dieterich	Kronebusch	Nelson	Schmitz
Berg	Frank	Laidig	Olson	Sieloff
Berglin	Frederickson	Langseth	Pehler	Solon
Bernhagen	Freeman	Lantry	Peterson, C. C.	Spear
Bertram	Gustafson	Lessard	Peterson, D. C.	Stumpf
Chmielewski	Hughes	Luther	Peterson, R. W.	Taylor
Dahl	Isackson	McQuaid	Petty	Wegscheid
Davis	Johnson, D. J.	Mehrkens	Purfeerst	

Mr. Waldorf voted in the negative.

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 122, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 122: A bill for an act relating to retirement; public employees retirement association; setting the salary range of the executive director; changing the membership of the board; providing qualifications for the executive director; requiring advice and consent of the senate for appointment of the executive director; defining the duties of the board; ending the terms of current board members; defining the duties of the executive director; amending Minnesota Statutes 1984, sections 15A.081, subdivision 1; 43A.10, subdivision 6; and 353.03, subdivisions 1, 1a, 2, 3, 3a, and 5; proposing coding for new law in Minnesota Statutes, chapter 353.

Senate File No. 122 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 4, 1985

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 10, 86, 91, 991, 234, 245, 360, 379, 611, 729, 796, 930, 825, 848, 960, 982, 1019, 1032, 1095, 1145, 1152,

1242, 876, 831, 835 and 855.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 4, 1985

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 18, 852, 968, 985, 645, 1025, 1093, 1117, 1150, 1193, 1197, 1254 and 1319.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 8, 1985

FIRST READING OF HOUSE BILLS

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

H.F. No. 10: A bill for an act relating to the city of New Ulm; authorizing payment of health insurance costs for certain retired police officers.

Referred to the Committee on Governmental Operations.

H.F. No. 86: A bill for an act relating to retirement; increasing survivor benefits payable by the Thief River Falls police relief association; amending Laws 1981, chapter 68, section 42, subdivision 1.

Referred to the Committee on Governmental Operations.

H.F. No. 91: A bill for an act relating to elections; providing for the preparation and availability of correct precinct lists; amending Minnesota Statutes 1984, section 201.091, subdivision 2.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 139, now on General Orders.

H.F. No. 991: A bill for an act relating to local government; regulating certain municipal dissolutions and annexations; amending Minnesota Statutes 1984, sections 412.091; 414.033, by adding subdivisions; and 414.061, by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1102, now on the Consent Calendar.

H.F. No. 234: A bill for an act relating to retirement; authorizing benefit increases for retired Eveleth police officers, firefighters, and surviving spouses.

Referred to the Committee on Governmental Operations.

H.F. No. 245: A bill for an act relating to crimes; clarifying elements of the crime of depriving another of custodial or parental rights; amending Minnesota Statutes 1984, section 609.26, subdivisions 1 and 2.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 802, now on General Orders.

H.F. No. 360: A bill for an act relating to retirement; changing the method

for computing benefits for members of the Buhl police relief association; amending Laws 1984, chapter 574, section 18.

Referred to the Committee on Governmental Operations.

H.F. No. 379: A bill for an act relating to elections; qualifying certain persons to be election judges; amending Minnesota Statutes 1984, section 204B.19, subdivision 2.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 365, now on General Orders.

H.F. No. 611: A bill for an act relating to retirement; refunding excess employee contributions to retired St. Paul health bureau employees.

Referred to the Committee on Governmental Operations.

H.F. No. 729: A bill for an act relating to retirement; providing for an increased redemption benefit option for participants in the Hennepin county supplemental retirement program; allowing withdrawal from the program; amending Laws 1969, chapter 950, sections 1, subdivision 1, as amended; and 4, as amended; and Laws 1983, chapter 100, section 1.

Referred to the Committee on Governmental Operations.

H.F. No. 796: A bill for an act relating to Ramsey county; exempting county highways from seasonal load restrictions unless posted by the county authority; proposing coding for new law in Minnesota Statutes, chapter 383A.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1141, now on the Consent Calendar.

H.F. No. 930: A bill for an act relating to retirement; volunteer firefighters serving new fire district; service credit; amending Minnesota Statutes 1984, section 424A.02, by adding a subdivision.

Referred to the Committee on Governmental Operations.

H.F. No. 825: A bill for an act relating to occupations and professions; regulating electricians; amending Minnesota Statutes 1984, sections 326.01, subdivisions 2, 5, 6b, and by adding a subdivision; 326.242, subdivisions 1, 2, 3, 6, and 9; 326.243; 326.244, subdivisions 1, 2, and 5; and 326.246.

Referred to the Committee on Economic Development and Commerce.

H.F. No. 848: A bill for an act relating to children and families; providing judicial procedures to protect the welfare of alleged child abuse victims; requiring juvenile and criminal courts to give docket priority to child abuse cases; providing certain protections for parents in juvenile court proceedings; clarifying the scope and effect of juvenile court orders; changing the crimes of "intrafamilial sexual abuse" to "criminal sexual abuse" and limiting the discretion of courts to stay sentences for these crimes; requiring that investigative interviews with child abuse victims be tape-recorded; providing a training program for child protection workers and requiring a new job classification in child protection; amending Minnesota Statutes 1984, sections 260.011, subdivision 2; 260.133, subdivision 2; 260.135, subdivision 1; 260.155, by adding a subdivision; 260.156; 260.171, subdivision 4; 260.172, subdivision 4, and by adding subdivisions; 260.191, subdivision 1,

and by adding subdivisions; 260.301; 595.02, subdivision 3; 609.364 to 609.3644; and 630.36; proposing coding for new law in Minnesota Statutes, chapters 626 and 631.

Referred to the Committee on Finance.

H.F. No. 960: A bill for an act relating to peace officers; eligibility for benefits of certain firefighters killed in the line of duty; amending Minnesota Statutes 1984, sections 352E.01, subdivision 2; and 352E.04.

Referred to the Committee on Governmental Operations.

H.F. No. 982: A bill for an act relating to veterans; providing space in the veterans service building for certain veterans organizations; amending Minnesota Statutes 1984, section 197.58.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1185, now on General Orders.

H.F. No. 1019: A bill for an act relating to retirement; Virginia police; definition of prevailing pay; retirement and survivor benefit supplements; amending Laws 1982, chapter 574, sections 3, subdivision 9; and 5.

Referred to the Committee on Governmental Operations.

H.F. No. 1032: A bill for an act relating to the borough of Belle Plaine; permitting Belle Plaine to use the term "borough" for all purposes; amending Minnesota Statutes 1984, sections 410.015; and 413.02, subdivision 5, and by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1138, now on the Consent Calendar.

H.F. No. 1095: A bill for an act relating to retirement; public employees retirement association; permitting certain former municipal court judges to receive a deferred early retirement annuity notwithstanding the law in effect on the date of their termination of public service; amending Minnesota Statutes 1984, section 353.34; by adding a subdivision.

Referred to the Committee on Governmental Operations.

H.F. No. 1145: A bill for an act relating to liquor; recodifying statutory provisions relating to intoxicating liquor and nonintoxicating malt liquor; amending Minnesota Statutes 1984, sections 260.015, subdivision 22; 299A.02; 473F.02, subdivision 17; and 624.701; proposing coding for new law in Minnesota Statutes, chapter 171; proposing coding for new law as Minnesota Statutes, chapters 297C and 340A; repealing Minnesota Statutes 1984, sections 340.001 to 340.988.

Referred to the Committee on Public Utilities and State Regulated Industries.

H.F. No. 1152: A bill for an act relating to Winona county; authorizing the sale of certain property.

Referred to the Committee on Local and Urban Government.

H.F. No. 1242: A bill for an act relating to retirement; authorizing an amendment to the articles of incorporation of the Duluth teachers retirement fund association.

Referred to the Committee on Governmental Operations.

H.F. No. 876: A bill for an act relating to hazardous waste; establishing a hazardous substance compensation trust account; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 115B.

Referred to the Committee on Taxes and Tax Laws.

H.F. No. 831: A bill for an act relating to crimes; prescribing the powers of the governor and the commissioner of corrections with respect to extradition under treaty; amending Minnesota Statutes 1984, section 243.515.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 803, now on General Orders.

H.F. No. 835: A bill for an act relating to driver's licenses; allowing same time for expiration of driver's license for spouse of active duty member of armed forces; amending Minnesota Statutes 1984, section 171.27.

Referred to the Committee on Veterans and General Legislation.

H.F. No. 855: A bill for an act relating to retirement; police and salaried firefighters relief associations; St. Louis Park firefighters service, disability, and survivor benefits; amending Laws 1969, chapter 576, sections 3, subdivision 1; and 4, subdivision 1.

Referred to the Committee on Governmental Operations.

H.F. No. 18: A bill for an act relating to game and fish; authorizing resident licenses for trainees at Camp Ripley during open seasons; amending Minnesota Statutes 1984, section 98.47, subdivision 3.

Referred to the Committee on Agriculture and Natural Resources.

H.F. No. 852: A bill for an act relating to state lands; directing conveyance of an easement over certain state lands to the city of Duluth.

Referred to the Committee on Agriculture and Natural Resources.

H.F. No. 968: A bill for an act relating to education; permitting payroll deductions in the state university system for a certain nonprofit university foundation; proposing coding for new law in Minnesota Statutes, chapter 136.

Referred to the Committee on Education.

H.F. No. 985: A bill for an act relating to human services; expanding time of eligibility for aid for unborn children; authorizing prenatal care payments; amending Minnesota Statutes 1984, section 256.73, subdivision 5.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1028, now on the Consent Calendar.

H.F. No. 645: A bill for an act relating to crimes; specifying the effect of and the procedure for issuing an order of restitution; amending Minnesota Statutes 1984, section 611A.04, subdivision 3; proposing coding for new law in chapter 611A.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 746, now on General Orders.

H.F. No. 1025: A bill for an act relating to public utilities; deregulating

providers of coin telephone service; imposing a penalty; amending Minnesota Statutes 1984, section 237.01, subdivision 2, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 237.

Referred to the Committee on Public Utilities and State Regulated Industries.

H.F. No. 1093: A resolution memorializing the President and Secretary of Agriculture of the United States to insist to the government of Canada on fair trade regulations on hogs, or impose quotas and strict tariffs on Canadian hog imports.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1024, now on General Orders.

H.F. No. 1117: A bill for an act relating to gifts to minors; permitting securities to be registered in the name of a broker or financial institution; amending Minnesota Statutes 1984, sections 527.02, subdivision 1; and 527.04, subdivision 7.

Referred to the Committee on Economic Development and Commerce.

H.F. No. 1150: A bill for an act relating to state lands; providing for the sale of certain tax-forfeited land in Chisago county.

Referred to the Committee on Agriculture and Natural Resources.

H.F. No. 1193: A bill for an act relating to corrections; updating the recordkeeping systems of jails and lockups; amending Minnesota Statutes 1984, sections 641.05; and 642.07.

Referred to the Committee on Health and Human Services.

H.F. No. 1197: A bill for an act relating to cities of Circle Pines and Lino Lakes; permitting cities to determine the size of Circle Pines utilities commission.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 920, now on General Orders.

H.F. No. 1254: A bill for an act relating to local government; permitting insurance and indemnification of certain municipal electric power personnel; correcting a statutory cross reference; amending Minnesota Statutes 1984, section 453.55, subdivision 11.

Referred to the Committee on Public Utilities and State Regulated Industries.

H.F. No. 1319: A bill for an act relating to St. Louis county; providing a retirement contribution exemption for emergency jobs program employees; amending Laws 1984, chapter 501, section 1.

Referred to the Committee on Governmental Operations.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted with the exception of the reports on S.F. Nos. 357, 1424, 134, 1093, 1242 and 928. The motion prevailed.

Mr. Hughes from the Committee on Elections and Ethics, to which was referred

S.F. No. 1145: A bill for an act relating to elections; clarifying the term "corporation" as it relates to campaign contributions; amending Minnesota Statutes 1984, section 210A.34, by adding a subdivision.

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

Mr. Hughes from the Committee on Elections and Ethics, to which was referred

S.F. No. 1224: A bill for an act relating to elections; clarifying the provision of time off to vote; amending Minnesota Statutes 1984, section 204C.04.

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

Mr. Hughes from the Committee on Elections and Ethics, to which was referred

S.F. No. 1325: A bill for an act relating to elections; making certain changes in the ethics in government act; changing the time when certain campaign bills must be rendered; amending Minnesota Statutes 1984, sections 10A.02, subdivision 11, and by adding a subdivision; 10A.04, subdivision 4a; 10A.18; 10A.20, subdivisions 3, 5, and 12; 10A.24; 10A.27, subdivision 1; and 210A.24; proposing coding for new law in Minnesota Statutes, chapter 10A; repealing Minnesota Statutes 1984, sections 10A.02, subdivision 11a; and 10A.25, subdivision 7.

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

Mr. Hughes from the Committee on Elections and Ethics, to which was referred

S.F. No. 1151: A bill for an act relating to elections; adopting the court-ordered apportionment plan, but changing Ottawa township in LeSeuer county from the second to the first congressional district; repealing Minnesota Statutes 1984, sections 2.741 to 2.811.

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

Page 1, line 16, delete "*LeSeur*" and insert "*LeSueur*"

Amend the title as follows:

Page 1, line 4, delete "*LeSeuer*" and insert "*LeSueur*"

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

Mr. Hughes from the Committee on Elections and Ethics, to which was re-referred

S.F. No. 99: A bill for an act relating to Hennepin county; providing for the election of the park reserve district board; amending Laws 1979, chapter

288, section 2, subdivision 1; repealing Laws 1979, chapter 288, section 2, subdivisions 2, 3, and 4; and section 3.

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

Page 1, delete lines 19 to 26

Page 2, delete lines 1 and 2 and insert:

"Park reserve district commissioners shall be appointed by the county board by a majority vote of the full board. A park reserve district commissioner shall be a resident of the county and shall serve for a four-year term. In appointing park reserve district commissioners, the board of commissioners shall appoint a person from each county commissioner district. Appointments to fill vacancies shall be for the unexpired term."

Sec. 2. [TRANSITION TO APPOINTED BOARD.]

Notwithstanding any law to the contrary, the terms of Hennepin county park reserve district commissioners appointed or elected pursuant to Laws 1979, chapter 288, shall expire on December 31, 1986, and no election shall be held in 1986 to elect new commission members. The terms of park reserve district commissioners appointed pursuant to section 1 shall begin on January 1, 1987."

Page 2, line 3, after "2." insert "[REPEALER.]"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, delete "election" and insert "appointment"

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

Mr. Dieterich from the Committee on Public Utilities and State Regulated Industries, to which was referred

S.F. No. 1103: A bill for an act relating to liquor; extending a moratorium on certain town off-sale licenses; amending Laws 1984, chapter 626, section 6.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1984, section 340.11, subdivision 10a, is amended to read:

Subd. 10a. [OFF-SALE LICENSES; CERTAIN COUNTIES.] ~~(1)~~ (a) Off-sale licenses may be issued for the sale of intoxicating liquors by certain counties herein provided for.

~~(2)~~ (b) A county board of any county containing unorganized area may issue an off-sale liquor license within any unorganized area of the county to an exclusive liquor store with the approval of the commissioner of public safety.

(c) A county board of any county containing a town exercising powers under section 368.01, subdivision 1, may issue an off-sale license to an exclusive liquor store within that town with the approval of the commissioner. No license may be issued under this paragraph unless the town board adopts a resolution supporting the issuance of the license.

(d) A county board of any county containing a town that may not exercise powers under section 368.01, subdivision 1, may issue a combination off-sale and on-sale license to restaurants within that town with the approval of the commissioner pursuant to section 340.11, subdivision 10. No license may be issued under this paragraph unless the town board adopts a resolution supporting the issuance of the license.

(e) No license may be issued under this subdivision unless a public hearing is held on the issuance of the license. Notice must be given to all interested parties and to any city located within three miles of the premises proposed to be licensed. At the hearing the county board shall consider testimony and exhibits presented by interested parties and may base its decision to issue or deny a license upon the nature of the business to be conducted and its impact upon any municipality, the character and reputation of the applicant, and the propriety of the location. Any hearing held under this paragraph is not subject to chapter 14.

(f) A county board may not issue a license under this subdivision to a person for an establishment located within three miles of the boundary of any city. This paragraph does not apply to establishments that were issued licenses by any town board within three miles of any city prior to January 1, 1985.

(g) All licenses issued pursuant to this ~~clause~~ subdivision shall be governed by the appropriate provisions of the intoxicating liquor act except as otherwise provided herein. The license fee for an off-sale license issued pursuant to this section shall be fixed by the county board in an amount not to exceed \$500. The town board may impose an additional license fee in an amount not to exceed 20 percent of the county license fee.

Sec. 2. [REPEALER.]

Minnesota Statutes 1984, section 340.11, subdivision 10b, is repealed."

Delete the title and insert:

"A bill for an act relating to intoxicating liquor; permitting counties to issue off-sale licenses and combination licenses in towns; amending Minnesota Statutes 1984, section 340.11, subdivision 10a; repealing Minnesota Statutes, section 340.11, subdivision 10b."

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

Mr. Merriam from the Committee on Agriculture and Natural Resources, to which was referred

S.F. No. 786: A bill for an act relating to agriculture; appropriating money for clean-up of pseudorabies infected swine herds.

Reports the same back with the recommendation that the bill be amended

as follows:

Delete everything after the enacting clause and insert:

"Section 1. [APPROPRIATION.]

\$_____ is appropriated from the general fund to the board of animal health, to be available until June 30, 1987, for the testing of swine herds infected with pseudorabies. The board of animal health shall coordinate the testing of infected herds by local veterinarians and pay the testing costs and laboratory fees."

Amend the title as follows:

Page 1, line 3, delete "clean-up" and insert "testing"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Merriam from the Committee on Agriculture and Natural Resources, to which was referred

S.F. No. 335: A bill for an act relating to animals; changing certain duties and powers of the board of animal health; increasing certain penalties; amending Minnesota Statutes 1984, sections 35.03; 35.05; and 35.069.

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

Page 1, line 14, delete "may" and insert "shall" and delete "emergency or permanent"

Page 1, line 15, delete "Minnesota's"

Page 1, line 15, delete everything after the period

Page 1, delete lines 16 to 22

Page 2, line 10, delete "or poultry"

Page 2, line 10, delete "Any"

Page 2, lines 11 to 27, delete the new language and reinstate the stricken language

Page 2, line 31, delete "In addition to other penalties,"

Page 2, line 35, delete "a related" and insert "any" and after "rule" insert "adopted by the board"

Page 2, line 35, delete "gross"

Amend the title as follows:

Page 1, lines 3 and 4, delete "increasing certain penalties;"

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

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 670: A bill for an act relating to St. Louis county; fixing the

maximum amount of the county emergency fund; amending Minnesota Statutes 1984, section 383C.016.

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

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 1167: A bill for an act relating to the city of New Brighton; providing an exception from the New Brighton police civil service system for the chief and deputy chief of police.

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

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 1152: A bill for an act relating to local government; authorizing the creation of a youth coordinating board in the city of Minneapolis.

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

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 1086: A bill for an act relating to local government; providing for the arbitration of water price disputes between the city of St. Paul and the cities of Maplewood and Mendota Heights.

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

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 357: A bill for an act relating to Pine county; permitting the county to participate separately in the community health services system.

Reports the same back with the recommendation that the bill do pass. Ms. Berglin questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Mr. Merriam from the Committee on Agriculture and Natural Resources, to which was referred

S.F. No. 1197: A bill for an act relating to agriculture; creating an exception to the corporate farming law; amending Minnesota Statutes 1984, section 500.24, subdivision 3.

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

Mr. Merriam from the Committee on Agriculture and Natural Resources, to which was referred

S.F. No. 453: A bill for an act relating to natural resources; reducing fees for camping spaces within a state park and state park motor vehicle permits for physically handicapped persons; amending Minnesota Statutes 1984, section 85.05.

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

Page 4, after line 9, insert:

“Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective June 1, 1985.”

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

Mr. Dieterich from the Committee on Public Utilities and State Regulated Industries, to which was referred

S.F. No. 1244: A bill for an act relating to the city of Burnsville; increasing the total number of on-sale liquor licenses.

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

Page 1, delete lines 7 to 10 and insert “*Notwithstanding any law to the contrary, the city of Burnsville may issue 5 on-sale intoxicating liquor licenses in addition to the number authorized under Minnesota Statutes, section 340.11, subdivision 5a.*”

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

Mr. Dieterich from the Committee on Public Utilities and State Regulated Industries, to which was referred

S.F. No. 1365: A bill for an act relating to charitable gambling; providing for local licensing and statewide regulation; authorizing the department of revenue to collect the tax imposed; amending Minnesota Statutes 1984, sections 340.14, subdivision 2; 349.12, subdivisions 11 and 16; 349.14; 349.16; 349.17; 349.18, subdivisions 1 and 2; 349.19; 349.20; 349.21; 349.211, subdivision 3; 349.212, as amended; 349.213, subdivision 1; 349.214, subdivision 2; 349.22, subdivision 2; 349.31, subdivision 1; 609.75, subdivision 3; and 609.761; repealing Minnesota Statutes 1984, sections 349.151; 349.161; 349.162; and 349.213, subdivision 2.

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

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1984, section 297A.25, is amended by adding a subdivision to read:

Subd. 6. The gross receipts from the conduct of lawful gambling by an organization exempt under section 349.214 shall be exempt from taxation under this chapter.

Sec. 2. Minnesota Statutes 1984, section 349.12, subdivision 13, is amended to read:

Subd. 13. "Profit" means the gross receipts collected from lawful gambling, less reasonable sums necessarily and actually expended for gambling supplies and equipment, prizes, rent, and utilities used during the gambling occasions, compensation paid to members for conducting gambling, taxes imposed by this chapter, ~~and~~ maintenance of devices used in lawful gambling, *advertising costs up to one percent of an organization's gambling receipts in a calendar year, legal costs, accounting services, security services, and insurance. An organization exempt under section 349.214, subdivision 2, may deduct from gross receipts the costs of any food or beverages provided at the event.*

Sec. 3. Minnesota Statutes 1984, section 349.151, subdivision 4, is amended to read:

Subd. 4. [POWERS AND DUTIES.] The board has the following powers and duties:

(1) to issue, revoke, and suspend licenses to organizations and suppliers under sections 349.16 and 349.161;

(2) to collect and deposit license fees and taxes due under this chapter;

(3) to receive reports required by this chapter and inspect the records, books, and other documents of organizations and suppliers to insure compliance with all applicable laws and rules;

(4) to make rules, including emergency rules, required by this chapter;

(5) to register gambling equipment and issue registration stamps under section 349.162;

(6) to provide by rule for the mandatory posting by organizations conducting lawful gambling of rules of play and the odds and/or house percentage on each form of lawful gambling; ~~and~~

(7) to report annually to the governor and legislature on its activities and on recommended changes in the laws governing charitable gambling; *and*

(8) *impose civil penalties of not more than \$500 per violation on organizations and suppliers for failure to comply with any provision of sections 349.12 to 349.23 or any rule of the board.*

Sec. 4. Minnesota Statutes 1984, section 349.16, is amended by adding a subdivision to read:

Subd. 4. [LOCAL INVESTIGATION FEE.] *An organization applying for a license under this section shall pay to the board, in addition to any other fee required by this section, an investigation fee which the board shall remit to the local unit of government notified under section 349.213, subdivision 2. The investigation fee shall be \$75 if an organization is applying for a license to conduct all forms of gambling, \$50 for all forms except bingo, and \$25 for bingo only.*

Sec. 5. Minnesota Statutes 1984, section 349.161, subdivision 1, is amended to read:

Subdivision 1. [PROHIBITED ACTS; LICENSES REQUIRED.] No per-

son may:

(1) sell, offer for sale, or furnish gambling equipment for use within the state for gambling purposes, other than for ~~bingo~~ *lawful gambling* exempt from licensing under section ~~340.19~~ *349.214*, except to an organization licensed for lawful gambling; or

(2) sell, offer for sale, or furnish gambling equipment to an organization licensed for lawful gambling without having obtained a distributor license under this section.

No licensed organization may purchase gambling equipment from any person not licensed as a distributor under this section.

Sec. 6. Minnesota Statutes 1984, section 349.19, subdivision 5, is amended to read:

Subd. 5. [REPORTS.] A licensed organization must report to the board and to its membership monthly on its gross receipts, expenses, profits, and expenditure of profits from lawful gambling. If the organization conducts both bingo and other forms of lawful gambling, the figures for both must be reported separately. In addition, a licensed organization must report to the board monthly on its purchases of gambling equipment and must include the type, quantity, and dollar amount from each supplier separately. *If an organization's tax liability under section 349.212 is \$500 or less in any quarter, any reports required to be filed with the board or to its membership may be filed quarterly.* The reports must be on a form the board prescribes.

Sec. 7. Minnesota Statutes 1984, section 349.212, subdivision 2, is amended to read:

Subd. 2. [COLLECTION; DISPOSITION.] The tax must be paid to the board at times and in a manner the board prescribes by rule, *provided that if an organization's tax liability under this section is \$500 or less in any quarter the tax may not be required to be paid more frequently than quarterly.* The proceeds, along with the revenue received from all license fees and other fees under sections 349.11 to ~~349.21~~ and ~~349.211~~, ~~349.212~~, and 349.213, *except fees received under section 5*, must be paid to the state treasurer for deposit in the general fund.

Sec. 8. Minnesota Statutes 1984, section 349.214, subdivision 2, is amended to read:

Subd. 2. [RAFFLES.]

(a) Raffles may be conducted by an organization as defined in section 349.12, subdivision 13, without complying with sections 349.11 to 349.213 if the value of all raffle prizes awarded by the organization in a calendar year does not exceed \$750. Merchandise prizes must be valued at their fair market value.

(b) *Raffles may be conducted by an organization without complying with section 349.14, or sections 349.151 to 349.212 if the organization or each chapter of the organization conducts no more than one raffle in a calendar year. The organization may also conduct pull-tabs, tipboards, and paddle-wheels in conjunction with the raffle without complying with section 349.14 or sections 349.151 to 349.212. The prizes awarded in the raffle or pull-tabs,*

paddlewheel, or tipboards at the event, may not exceed \$25,000, with no more than \$2,000 being cash, and at least 50 percent of the prizes being donated to the organization. Merchandise prizes must be valued at fair market value. An organization exempt under this paragraph must file with the board a copy of the annual report required to be filed with the department of commerce under chapter 309.

Sec. 9. Minnesota Statutes 1984, section 349.214, is amended by adding a subdivision to read:

Subd. 1a. [BINGO; CERTAIN ORGANIZATIONS.] Bingo may be conducted within a nursing home or a senior citizen housing project or by a senior citizen organization without complying with sections 349.11 to 349.213 if the prizes for a single bingo game do not exceed \$10, total prizes awarded at a single bingo occasion do not exceed \$200, no more than two bingo occasions are held by the organization or at the facility each week, only members of the organization or residents of the nursing home or housing project are allowed to play in a bingo game, no compensation is paid for any persons who conduct the bingo, a manager is appointed to supervise the bingo, and the manager registers with the board.

Sec. 10. Minnesota Statutes 1984, section 609.75, subdivision 3, is amended to read:

Subd. 3. [WHAT ARE NOT BETS.] The following are not bets:

(1) A contract to insure, indemnify, guarantee or otherwise compensate another for a harm or loss sustained, even though the loss depends upon chance.

(2) A contract for the purchase or sale at a future date of securities or other commodities.

(3) Offers of purses, prizes or premiums to the actual contestants in any bona fide contest for the determination of skill, speed, strength, endurance, or quality or to the bona fide owners of animals or other property entered in such a contest.

(4) The game of bingo when conducted in compliance with sections 349.11 to 349.23.

(5) A private social bet not part of or incidental to organized, commercialized, or systematic gambling.

(6) The operation of equipment or the conduct of a raffle under sections 349.11 to 349.22, by an organization licensed by the charitable gambling control board or an organization exempt from licensing under section 349.214.

(7) Pari-mutuel betting on horse racing when the betting is conducted under chapter 240.

Sec. 11. [TAX AMNESTY; NONPROFIT ORGANIZATIONS.]

For an organization who has an unpaid liability for sales tax due under Minnesota Statutes, chapter 297A, arising out of lawful gambling conducted under Minnesota Statutes, chapter 349, between March 1, 1982, and February 28, 1985, the commissioner of revenue shall accept as full payment of the

liability, a certified check, cashier's check, or money order in the amount of 50 percent of the liability incurred, plus interest. Payment must be received by the commissioner of revenue before January 1, 1986. For delinquent returns filed under this section, the civil and criminal penalties imposed by law are waived.

Sec. 12. [SALES TAX EXEMPTION.]

The gross receipts from the conduct of lawful gambling conducted under Minnesota Statutes, chapter 349, received prior to March 1, 1982, shall be exempt from taxation under Minnesota Statutes, chapter 297A. No refunds shall be paid pursuant to this section unless the organization can demonstrate to the commissioner of revenue that the refunds will be paid to those who paid the tax.

Sec. 13. [EFFECTIVE DATE.]

This act is effective June 1, 1985."

Delete the title and insert:

"A bill for an act relating to charitable gambling; exempting certain organizations from regulation by the charitable gambling control board; exempting certain organizations who conduct bingo and raffles from the sales tax; clarifying what expenses may be deducted from gross receipts; permitting the board to impose civil penalties; requiring organizations to pay an investigation fee; changing reporting requirements; providing for a tax amnesty for organizations who have conducted lawful gambling; amending Minnesota Statutes 1984, sections 297A.25, by adding a subdivision; 349.12, subdivision 13; 349.151, subdivision 4; 349.16, by adding a subdivision; 349.161, subdivision 1; 349.19, subdivision 5; 349.212, subdivision 2; 349.214, subdivision 2, and by adding a subdivision; and 609.75, subdivision 3."

And when so amended the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Amendments adopted. Report adopted.

Mr. Dieterich from the Committee on Public Utilities and State Regulated Industries, to which was referred

S.F. No. 1334: A bill for an act relating to utilities; regulating certain intrastate gas pipelines; amending Minnesota Statutes 1984, section 216B.02, subdivision 4.

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

Page 1, line 18, delete "section" and insert "sections"

Page 1, line 18, delete ", et seq." and insert "to 717z"

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

Mr. Dieterich from the Committee on Public Utilities and State Regulated Industries, to which was referred

S.F. No. 1234: A bill for an act relating to the city of Saint Paul; permitting

the city to issue temporary on-sale wine licenses to nonprofit charitable, religious, or veterans organizations.

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

Mr. Dieterich from the Committee on Public Utilities and State Regulated Industries, to which was referred

S.F. No. 283: A bill for an act relating to liquor; authorizing municipalities to permit holders of both on-sale wine and nonintoxicating malt liquor licenses to sell intoxicating malt liquors; amending Minnesota Statutes 1984, section 340.11, subdivision 20.

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

Page 2, after line 17, insert:

“Sec. 2. [REPEALER.]

Laws 1979, chapter 200, is repealed.”

Amend the title as follows:

Page 1, line 6, before the period, insert “; repealing Laws 1979, chapter 200”

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

Mr. Solon from the Committee on Economic Development and Commerce, to which was referred

S.F. No. 1360: A bill for an act relating to taxation; segregating certain sales tax revenues; providing for the establishment of a national class state convention center in the city of Duluth; authorizing the issuance of bonds and appropriating money.

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

Page 1, delete section 1

Page 1, line 18, delete “shall” and insert “may”

Page 2, lines 7 and 18, delete “2” and insert “1”

Page 2, line 8, delete “\$20,000,000” and insert “\$_____”

Page 2, delete section 4

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete everything after “to”

Page 1, line 3, delete “revenues” and insert “economic development”

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Solon from the Committee on Economic Development and Commerce, to which was referred

S.F. No. 1424: A bill for an act relating to the metropolitan sports facilities commission; renaming it the metropolitan sports and convention facilities commission; authorizing it to acquire, design, construct, equip, improve, control, operate, and maintain convention and trade show facilities and related facilities in the city of Minneapolis and to expend certain money for it; authorizing it to exercise eminent domain; authorizing it to issue bonds to finance the acquisition and betterment of convention and trade show facilities and related facilities; authorizing the city of Minneapolis to expend certain funds, including taxes and tax increments, for commission purposes; authorizing the city of Minneapolis and the metropolitan council to contract with the commission and to exercise powers of the commission and perform other acts; authorizing the city to levy and collect certain taxes and to issue bonds to finance the acquisition and betterment of the facility; authorizing the city to proceed with the convention and trade show facilities if the commission does not; authorizing the council to issue bonds to finance the acquisition and betterment of convention and trade show facilities or to refund outstanding bonds issued to finance certain sports facilities, and to levy taxes; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 473.

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

Page 4, line 31, delete "*may*" and insert "*shall*"

Page 4, line 33, delete "*not exceeding four*" and insert "*of three*"

Page 5, line 1, delete "*may*" and insert "*shall*"

Page 10, line 5, delete "*states*" and insert "*statutes*"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Mr. Moe, D.M. questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Mr. Solon from the Committee on Economic Development and Commerce, to which was re-referred

S.F. No. 598: A bill for an act relating to commerce; requiring the repair, refund, or replacement of new motor vehicles used for agricultural purposes; amending Minnesota Statutes 1984, section 325F.665, subdivisions 1, 3, and 4.

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

Page 2, line 1, after "*warranty*" insert "*; in the case of a second purchase of an agricultural vehicle within the warranty period, the sale must be made through an authorized farm equipment dealer*"

Page 3, line 1, delete the new language

Page 3, delete line 2

Page 3, line 3, delete the new language and after the period, insert "*For*"

agricultural vehicles, "reasonable allowance for prior use" means the fair rental value of the agricultural vehicle calculated in accordance with the "Tractor and Farm Equipment Trade-In Guide" published by the national farm and power equipment dealers association and is the sum of:

(1) the amount attributable to use by the consumer prior to the consumer's first report of the nonconformity to the manufacturer or its authorized dealers;

(2) the amount attributable to use by the consumer during any period subsequent to the report when the vehicle is not out of service by reason of repair of the reported nonconformity; and

(3) the amount attributable to use by the consumer of the farm tractor provided by the manufacturer or its authorized dealers while the farm tractor is out of service by reason of repair of the reported nonconformity."

Page 3, line 27, after "days" insert "for agricultural vehicles the vehicle is out of service for a cumulative total of 60 or more business days,"

Page 4, line 5, after "period" insert "or the 60-day period for an agricultural vehicle"

Page 4, after line 26, insert:

"(g) For an agricultural vehicle, other than a farm tractor defined in section 169.01, subdivision 8, and a farm truck defined in section 168.011, subdivision 17, the manufacturer's and dealer's duty to repair, replace, or refund under this section applies only to the motor and power train of the agricultural vehicle."

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

Mr. Solon from the Committee on Economic Development and Commerce, to which was referred

S.F. No. 1355: A bill for an act relating to economic development; providing a state advocacy function for business license applicants; amending Minnesota Statutes 1984, section 116J.76.

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

Page 2, line 8, delete "business license applicants,"

Page 2, line 9, delete "especially" and delete the first comma

Amend the title as follows:

Page 1, line 3, after "for" insert "small"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Solon from the Committee on Economic Development and Commerce, to which was referred

S.F. No. 1200: A bill for an act relating to economic development; creating an enterprise zone to be designated by the city of Cottage Grove.

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

Pages 1 and 2, delete section 1

Page 2, line 3, delete "Sec. 2." and insert "Section 1."

Page 2, line 15, delete everything after "is"

Page 2, delete lines 16 to 21 and insert "*subject to Minnesota Statutes, section 273.1314, subdivisions 9 to 17, and is considered to have been designated an enterprise zone by the commissioner of energy and economic development within the meaning of those subdivisions. The enterprise zone is not subject to the funding limitations of section 273.1314, subdivision 8.*"

Page 2, line 22, delete "section" and insert "subdivision"

Page 2, line 30, delete "Sec. 3. [LOCAL APPROVAL.]" and insert "Sec. 2. [EFFECTIVE DATE.]"

Page 2, line 31, delete everything after "effective"

Page 2, delete lines 32 and 33 and insert "*the day following final enactment and is repealed two years from the effective date.*"

And when so amended the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Amendments adopted. Report adopted.

Mr. Solon from the Committee on Economic Development and Commerce, to which was referred

S.F. No. 134: A resolution memorializing the President and the Congress of the United States to repeal the Federal Reserve Act.

Reports the same back with the recommendation that the resolution do pass. Mr. Moe, R.D. questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Mr. Solon from the Committee on Economic Development and Commerce, to which was referred

S.F. No. 876: A bill for an act relating to the Minnesota historical society; appropriating money for the institute for invention and innovation.

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

Mr. Solon from the Committee on Economic Development and Commerce, to which was referred

S.F. No. 1278: A bill for an act relating to financial institutions; providing for the extension of certain loan assumptions; amending Minnesota Statutes 1984, section 47.20, by adding a subdivision.

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

Mr. Solon from the Committee on Economic Development and Commerce, to which was referred

S.F. No. 1051: A bill for an act relating to auto insurance; increasing the maximum benefit for funeral expenses; amending Minnesota Statutes 1984, section 65B.44, subdivision 4.

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

Mr. Solon from the Committee on Economic Development and Commerce, to which was referred

S.F. No. 885: A bill for an act relating to occupations and professions; providing for licensing of alarm and communication contractors and installers by the board of electricity; amending Minnesota Statutes 1984, sections 326.01, by adding subdivisions; 326.241; 326.242, subdivisions 7 and 8, and by adding subdivisions; 326.243; 326.244, subdivisions 4 and 5; and 326.246.

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

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 1047: A bill for an act relating to health; changing eligibility requirements for catastrophic health expense protection program; appropriating money; amending Minnesota Statutes 1984, sections 62E.52, subdivisions 2, 3, 7, and by adding a subdivision; 62E.53, subdivisions 1, 2, 3, and 4; and 62E.531, subdivisions 1 and 3.

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

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1984, section 62E.52, subdivision 2, is amended to read:

Subd. 2. “Eligible person” means any person who is a resident of Minnesota, *whose household assets do not exceed the limits imposed under the medical assistance program*, and who, while a resident of Minnesota, has been found by the commissioner to have incurred an obligation to pay:

(1) qualified expenses for himself and any dependents in any 12 consecutive months exceeding:

(a) ~~40~~ 25 percent of his household income up to ~~\$15,000~~ \$20,000, plus ~~50~~ 40 percent of his household income between ~~\$15,000~~ \$20,000 and ~~\$25,000~~ \$30,000, plus ~~60~~ 50 percent of his household income in excess of ~~\$25,000~~ \$30,000; or

(b) ~~\$2,500~~ \$1,000, whichever is greater; or

(2) qualified nursing home expenses for himself and any dependents in any 12 consecutive months exceeding 20 percent of his household income.

Sec. 2. Minnesota Statutes 1984, section 62E.52, subdivision 3, is amended to read:

Subd. 3. “Qualified expense” means any charge incurred subsequent to

July 1, 1977 1985, and within 18 months prior to application for coverage under sections 62E.51 to 62E.55 for a health service which is included in the list of covered services described in section 62E.06, subdivision 1, and for which no third party is liable.

Sec. 3. Minnesota Statutes 1984, section 62E.53, subdivision 1, is amended to read:

Subdivision 1. Any person who believes that he is or will become an eligible person may submit an application for state assistance to the commissioner. The application shall include a listing of expenses incurred prior to the date of the application and shall designate the date on which the 12 month period for computing expenses began. *No applicant seeking assistance under sections 62E.51 to 62E.55 may list as an expense in his or her application any income spent in order to become eligible for medical assistance under chapter 256B or general assistance medical care under chapter 256D.*

Sec. 4. Minnesota Statutes 1984, section 62E.53, subdivision 2, is amended to read:

Subd. 2. If the commissioner determines that an applicant is an eligible person, he shall pay

(1) 90 percent of all qualified expenses of the eligible person and his dependents in excess of:

(a) ~~40~~ 25 percent of his household income under ~~\$15,000~~ \$20,000, plus ~~50~~ 40 percent of his household income between ~~\$15,000~~ \$20,000 and ~~\$25,000~~ \$30,000, plus ~~60~~ 50 percent of his household income in excess of ~~\$25,000~~ \$30,000; or

(b) ~~\$2,500~~ \$1,000;

whichever is greater for the 12 month period in which the applicant becomes an eligible person and

(2) all qualified nursing home expenses of the eligible person and his dependents in excess of 20 percent of his household income. Provided, however, that the payment of qualified nursing home expenses shall not be made until the end of the fiscal year. If the appropriation for the payment of qualified nursing home expenses is inadequate to pay all qualified nursing home expenses, the commissioner shall prorate the payments among all eligible persons in proportion to their share of the total of the qualified nursing home expenses of all eligible persons.

Sec. 5. Minnesota Statutes 1984, section 62E.531, subdivision 2, is amended to read:

Subd. 2. Where a third party may be liable in whole or in part for payment for health services, the commissioner may consider the charges for the health services to be qualified expenses if the eligible person assigns any rights accruing by virtue of any third party liability to the commissioner to the extent necessary to reimburse the state for any payments made under the provisions of this section.

Eligible persons are encouraged to seek third-party coverage and to maintain this coverage. Insurance premiums may be included in the expenses used in determination of eligibility under sections 62E.51 to 62E.55.

Sec. 6. [APPROPRIATION.]

The sum of \$_____ is appropriated from the general fund to the commissioner of human services for the biennium ending June 30, 1987, for the purposes of sections 1 to 5. If a public health fund or similar fund is established with revenues from a cigarette and tobacco products tax or similar tax, this appropriation is from the public health fund rather than from the general fund, to the extent of the money available in the fund. If the money available in the public health fund is insufficient, the balance is appropriated from the general fund."

Delete the title and insert:

"A bill for an act relating to health; changing eligibility requirements for catastrophic health expense protection; including insurance premiums; appropriating money; amending Minnesota Statutes 1984, sections 62E.52, subdivisions 2 and 3; 62E.53, subdivisions 1 and 2; and 62E.531, subdivision 2."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 975: A bill for an act relating to children; requiring those who treat child abuse to register with the department of health; requiring persons who treat victims of child abuse to maintain malpractice insurance; providing penalties; proposing coding for new law in Minnesota Statutes, chapter 144.

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

Page 1, lines 12 and 20, after "person" insert "*not regulated by a health licensing board*"

Page 2, line 5, delete "gross"

Page 2, line 7, delete "any"

Page 2, after line 7, insert:

"Sec. 2. [APPROPRIATION.]

\$_____ is appropriated from the general fund to the commissioner of health for purposes of section 1, to be available until June 30, 1987."

Amend the title as follows:

Page 1, line 5, after the second semicolon, insert "appropriating money;"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 1050: A bill for an act relating to health; providing that the county coroner may conduct certain autopsies under certain circumstances; amend-

ing Minnesota Statutes 1984, section 390.11, by adding a subdivision.

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

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 612: A bill for an act relating to human services; providing for reimbursement of chiropractic services for people receiving general assistance medical care; clarifying the meaning of medically certified for purposes of a work exemption under general assistance; amending Minnesota Statutes 1984, sections 256D.03, subdivision 4; and 256D.111, subdivision 2.

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

Page 1, line 22, before "and" insert "services"

Page 1, line 23, after "services" insert "*as covered in chapter 256B*"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was referred

S.F. No. 752: A bill for an act relating to state government; restructuring the capitol area architectural and planning board; creating the position of state capitol architect; requiring the designation of employees of the department of administration as preservation architect and capitol engineer; creating the state capitol user committee; creating an art works jury within the Minnesota state historical society; appropriating money; amending Minnesota Statutes 1984, sections 15.50, subdivisions 1 and 2, and by adding subdivisions; 16B.24, subdivisions 1 and 2; 16B.31, subdivision 4; 16B.32; and 138.68; repealing Minnesota Statutes 1984, section 15.50, subdivision 2a.

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

Page 2, lines 33 and 35, delete "north" and insert "south"

Page 3, line 9, delete everything after "extended"

Page 3, line 10, delete "north" and insert "south" and before the comma insert "*of Interstate Highway 94*"

Page 3, line 11, delete "north" and insert "south"

Page 3, lines 11 and 12, delete "Cedar" and insert "Wabasha"

Page 3, line 27, delete "the state capitol architect" and insert "*a chairman, who may be a public officer,*"

Page 3, line 28, before "Section" insert "*At least three members shall be residents of the city of St. Paul, and one of them shall be a resident of the district planning council area containing the capitol area.*"

Page 3, lines 30 and 31, delete "*The state capitol architect is the chairman*"

of the board."

Page 3, line 34, delete "*state capitol architect*" and insert "*chairman*"

Page 4, line 25, delete everything after "*shall*"

Page 4, delete lines 26 and 27

Page 4, line 28, delete everything before "*advise*"

Page 4, line 29, delete the comma

Page 4, line 30, delete everything before the period

Page 4, line 32, delete "*a full-time*" and insert "*an*"

Page 7, line 16, strike "*projects*" and insert "*any new building*"

Page 7, line 17, delete "\$5,000,000" and insert "\$2,000,000"

Page 8, lines 27 and 28, strike "*the commissioner of energy and economic development and*"

Page 9, line 14, after "*society*" insert "*and the commissioner of administration*"

Page 10, line 15, after "*board*" insert "*, act on requests for use of the capitol or the capitol area, and, in coordination with the commissioner of administration, schedule and make provision for use of the capitol or the capitol area*"

Page 11, lines 7 and 8, delete the new language and insert "*Except for the capitol and the state office building,*"

Page 11, line 9, strike "*the capitol and*"

Page 11, line 12, after "*supervisor*" insert "*, who shall be an employee of the department of administration,*"

Page 11, delete section 7

Page 12, line 9, after the comma, insert "*who shall be an employee of the department of administration and*"

Page 13, line 26, after "*Subd. 2.*" insert "[STATE CAPITOL ARCHIVES.] *The Minnesota state historical society shall manage and administer the state capitol archives, which are the original capitol architectural plans, samples of capitol furnishings, and Cass Gilbert papers:*

Subd. 3."

Page 13, after line 35, insert:

"Sec. 11. [138.69] [PUBLIC AREAS OF THE CAPITOL.]

The Minnesota historical society is designated the research agency and is responsible for the interpretation of the public areas of the capitol. This responsibility involves conducting or approving public programs and tours in the capitol and related buildings, including exhibits held in the capitol; providing informational services; approving architectural plans and specifications that relate to repair or remodeling; establishing the appropriate custodial policies; and maintaining and repairing all works of art in the capitol and on the capitol area."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, delete "engineer" and insert "building supervisor"

Page 1, line 12, delete the second "subdivisions" and insert "subdivision" and delete "and 2"

Page 1, line 13, before "repealing" insert "proposing coding for new law in Minnesota Statutes, chapter 138;"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was referred

S.F. No. 708: A bill for an act relating to the legislature; providing for expanded authority of the legislative coordinating commission; amending Minnesota Statutes 1984, sections 3.095; 3.29, subdivision 7; 3.30, subdivision 2; 3.3025, subdivision 2; 3.303, subdivision 3; 3.304, subdivision 2a; 3.305; 3.351, subdivision 5; 3.85, subdivision 5; 3.855, by adding a subdivision; 3.865, subdivision 7; 3.9222, subdivision 6; 3.97, subdivision 5; 3C.02, subdivision 5; 3C.10, subdivision 3; 14.39; 16B.24; 16B.58, subdivision 6; 43A.18, subdivision 6; 86.08, subdivision 1; 115A.14, subdivision 2; 161.1419, subdivision 4; and 298.22, subdivision 2; Laws 1983, chapter 199, section 17, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 1; repealing Minnesota Statutes 1984, section 3.304, subdivisions 1 and 5.

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

Page 1, line 22, delete "section" and insert "sections" and before the comma, insert "and 16B.07"

Page 2, line 21, delete "section" and insert "sections" and before the comma, insert "and 16B.07"

Page 3, line 12, delete "section" and insert "sections" and before the comma, insert "and 16B.07"

Page 3, delete section 6 and insert:

"Sec. 6. Minnesota Statutes 1984, section 3.303, is amended by adding a subdivision to read:

Subd. 5. The commission shall appoint a director of protocol services who shall serve at the pleasure of the commission. The director shall:

(1) assist state agencies in making arrangements for the accommodation and appropriate recognition of individuals or groups visiting Minnesota as direct or indirect representatives of foreign governments, other states, or any of the subdivisions or agencies of foreign governments or other states; and

(2) provide other services as designated by the commission.

Subject to sections 3.305 and 16B.07, the director shall employ staff and

obtain office space, equipment, and supplies necessary to perform the designated duties."

Page 5, lines 6 and 8, delete "*uniform*"

Page 6, lines 2, 8, 16, 20 and 28, delete "*section*" and insert "*sections*" and before the comma, insert "*and 16B.07*"

Page 6, line 29, reinstate the first stricken "*commission*" and delete "*council*"

Page 8, line 12, delete "*section*" and insert "*sections*" and before the comma, insert "*and 16B.07*"

Pages 8 to 12, delete section 18 and insert:

"Sec. 18. [15.0592] [EXPIRATION DATES FOR LEGISLATIVE COMMISSIONS.]

Subdivision 1. [APPLICATION.] Legislative commissions listed in subdivision 2 shall expire according to the schedule provided in that subdivision. The speaker of the house of representatives and the senate majority leader shall set termination dates for new legislative commissions so as not to extend the existence of a body beyond three years from the date of its creation.

Subd. 2. [SCHEDULE.] (a) The following legislative commissions shall expire June 30, 1988:

(1) advisory committee to the Minnesota-Wisconsin boundary area commission;

(2) capitol area architectural and planning board;

(3) great lakes commission;

(4) interstate cooperation commission;

(5) legislative commission on Minnesota resources;

(6) legislative commission to review administrative rules;

(7) legislative commission on long-term health care;

(8) midwestern education board; and

(9) legislative commission on waste management.

(b) The following legislative commissions shall expire June 30, 1989:

(1) legislative commission on the economic status of women;

(2) education compact commission of the states;

(3) Indian affairs intertribal board;

(4) legislative advisory commission;

(5) legislative commission on employee relations;

(6) legislative commission on pensions and retirement;

(7) legislative coordinating commission;

(8) legislative commission on energy;

(9) legislative commission on public education; and

(10) Mississippi river parkway commission."

Page 14, line 4, delete "section" and insert "sections" and before the comma, insert "and 16B.07"

Pages 14 and 15, delete section 24

Page 15, line 10, delete "section" and insert "sections" and before the comma, insert "and 16B.07"

Page 15, delete section 27

Page 16, line 2, delete "27" and insert "25"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "establishing the position of director of protocol services; providing expiration dates for legislative commissions and boards;"

Page 1, line 6, delete "subdivision 3" and insert "by adding a subdivision"

Page 1, line 11, delete "16B.24;"

Page 1, line 13, after "2;" insert "and" and delete "and 298.22,"

Page 1, line 14, delete "subdivision 2;"

Page 1, line 16, delete "chapter" and insert "chapters" and after "1" insert "and 15" and delete "; repealing Minnesota"

Page 1, line 17, delete everything before the period

And when so amended the bill do pass and be re-referred to the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was re-referred

S.F. No. 1093: A bill for an act relating to environment; requiring the issuance of transportation certificates prior to the shipment of high level radioactive waste; providing for the administration of a certification and inspection program; providing for the designation of transportation routes; creating the governor's nuclear waste council; providing coordination with the federal government's nuclear waste site planning; providing for emergency preparedness to nuclear incidents; amending Minnesota Statutes 1984, sections 116C.705; 116C.71, by adding subdivisions; 116C.72; 116C.723; 116C.724; and 116C.731; proposing coding for new law in Minnesota Statutes, chapter 116C; repealing Minnesota Statutes 1984, section 116C.71, subdivision 12.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1984, section 116C.71, is amended by adding a subdivision to read:

Subd. 14a. [COUNCIL.] "Council" means the governor's nuclear waste council.

Sec. 2. [116C.711] [NUCLEAR WASTE COUNCIL.]

Subdivision 1. [ESTABLISHMENT.] The governor's nuclear waste council is established.

Subd. 2. [MEMBERSHIP.] The council shall have at least 9 members, consisting of:

(1) the commissioners of the departments of health, transportation, and natural resources, and the director of the pollution control agency;

(2) four citizen members appointed by the governor;

(3) the director of the Minnesota geological survey;

(4) one additional citizen from each potentially impacted area may be appointed by the governor if potentially impacted areas are designated in Minnesota; and

(5) one Indian who is an enrolled member of a federally recognized Minnesota Indian tribe or band may be appointed by the governor if potentially impacted areas are designated in Minnesota and if those areas include Indian country as defined in U. S. Code, Title 18, Section 11.54.

At least two members of the council shall have expertise in the earth sciences.

Subd. 3. [CHAIRPERSON.] A chairperson shall be appointed by the governor from the members of the council.

Subd. 4. [ADVISORY TASK FORCE.] The council may create advisory task forces under section 15.014, as are necessary to carry out its responsibilities under chapter 116C.

Subd. 5. [MEMBERSHIP REGULATION.] Section 15.059 governs terms, compensation, removal, and filling of vacancies of members appointed by the governor. Section 15.059, subdivision 5, does not govern the expiration date of the council.

Sec. 3. [116C.712] [POWERS AND DUTIES.]

Subdivision 1. [DUTY.] The council's duty shall be to monitor the federal high-level radioactive waste disposal program under the Nuclear Waste Policy Act, Public Law Number 97-425 and advise the governor and the legislature on all policy issues relating to the federal high-level radioactive waste disposal program.

Subd. 2. [EXPIRATION DATE.] The council shall terminate when the department of energy eliminates Minnesota from further siting consideration for disposal of high-level radioactive waste.

Subd. 3. [COUNCIL STAFF.] Staff support for council activities shall be provided by the state planning agency. All state departments and agencies must cooperate with the council in the performance of its duties. Upon the request of the chairperson of the council, the governor may, by order, require any state department or agency to furnish assistance necessary to carry out the council's functions under chapter 116C.

Subd. 4. [CONTRACTS.] The council may employ and fix the compensation of consultants necessary to carry out its responsibilities under chapter 116C. The chairperson of the council may contract with persons, firms, corporations, organizations, units of government, state agencies or institutions of higher learning for doing any of the work of the council. Contracts made pursuant to this section are not subject to the provisions of chapter 16B relating to competitive bidding.

Subd. 5. [FEDERAL AND OTHER FUNDS.] The chairperson of the council may apply for, receive, and expend funds made available from federal sources or other sources for the purpose of carrying out the council's responsibilities under chapter 116C.

Sec. 4. Minnesota Statutes 1984, section 116C.72, is amended to read:

116C.72 [RADIOACTIVE WASTE MANAGEMENT FACILITY.]

~~Notwithstanding any provision of chapter 116H, to the contrary,~~ No person shall construct or operate a radioactive waste management facility within Minnesota unless expressly authorized by the Minnesota legislature.

Sec. 5. Minnesota Statutes 1984, section 116C.731, is amended by adding a subdivision to read:

Subd. 2a. [NOTIFICATION OF NEW ROUTE APPROVAL.] Upon notification to the state that a shipper or carrier has filed an application with the nuclear regulatory commission for approval of a new route within or through the state for the transportation of high level radioactive waste, the commissioner of public safety shall immediately give written notice of the application to the mayors of affected statutory and home rule charter cities and to the county board chairpersons of counties located along the proposed transportation route. Written notice shall also be given by publication in at least one newspaper of general circulation in each affected county. The commissioner of public safety shall give the affected cities and counties an adequate opportunity to transmit to the commissioner, data, objections, concerns, and other information relevant to the selection of the route. The commissioner shall forward the data, objections, concerns, and other information to the nuclear regulatory commission.

Sec. 6. Minnesota Statutes 1984, section 116C.731, subdivision 3, is amended to read:

Subd. 3. [TRANSPORTATION FEE.] A person who intends to transport high level radioactive waste shall submit a transportation fee to the commissioner of public safety in the amount of \$1,000 for each vehicle carrying high level radioactive waste in each shipment with the required information ~~required in subdivision 1~~. For irradiated reactor fuel, the transportation fee shall be \$1,000 per irradiated reactor fuel assembly. The fees shall be deposited by the commissioner into the general fund.

Sec. 7. Minnesota Statutes 1984, section 116C.731, subdivision 4, is amended to read:

Subd. 4. [EMERGENCY RESPONSE PLAN.] The commissioner of public safety shall consult with the commissioners of health and transportation, the director of the pollution control agency, and representatives of the federal nuclear regulatory commission, the federal emergency management agency,

and the United States department of transportation and before December 1, 1984, shall prepare a plan for emergency response to a high level radioactive waste transportation accident, including plans for evacuation and cleanup. *The plan shall be revised annually to achieve conformity with the response system described in the nuclear regulatory commission document number NUREG/CR-2225, entitled "An unconstrained overview of critical elements in a model state system for emergency response to radiological rail transportation incidents."* The commissioner of public safety shall report by January 1 of each year to the ~~legislature~~ senate agriculture and natural resources and house of representatives environment and natural resources committees on the status of the plan and the ability of the state to respond adequately to an accident.

Sec. 8. Minnesota Statutes 1984, section 116C.731, is amended by adding a subdivision to read:

Subd. 4a. [INSPECTION.] The commissioners of health and transportation shall inspect all equipment of the shipper and carrier as it enters the state or departs from a point of origin within the state.

Sec. 9. Minnesota Statutes 1984, section 116C.731, is amended by adding a subdivision to read:

Subd. 4b. [HEALTH INSPECTION.] The commissioner of health shall monitor surface radioactivity to determine whether radiation levels are within legally permissible limits.

Sec. 10. Minnesota Statutes 1984, section 116C.731, is amended by adding a subdivision to read:

Subd. 4c. [TRANSPORTATION EQUIPMENT INSPECTION.] The commissioner of transportation shall inspect the equipment transporting high level radioactive waste for compliance with federal regulations contained in Code of Federal Regulations, title 49, sections 174, 176, and 177.

Sec. 11. Minnesota Statutes 1984, section 116C.731, is amended by adding a subdivision to read:

Subd. 4d. [RULES.] The commissioner of public safety shall adopt rules relating to nuclear waste shipments including:

(1) the speeds at which the waste is to be shipped and, for rail shipments, a plan for sidetracking or stopping all opposing trains during shipments;

(2) required documentation that shows all roadways, railroad tracks, bridges, and locks coinciding with proposed routes comply with federal regulations in Code of Federal Regulations, title 49, parts 171 to 199;

(3) the qualifications and training in emergency procedures of shipper and carrier personnel directly involved in each proposed shipment, including repair and maintenance crews;

(4) health and safety measures implemented specifically to protect shipper and carrier personnel involved in each shipment; and

(5) requiring a state health physicist to accompany each shipment to monitor radiation and make a complete written report to the commissioner.

Sec. 12. Minnesota Statutes 1984, section 216B.243, is amended by

adding a subdivision to read:

Subd. 9. [NUCLEAR FISSION ELECTRICAL GENERATING POWER PLANT.] The commission must not issue a certificate of need for construction of a nuclear fission electrical generating power plant until the following conditions are met:

(1) the commission finds that the construction of the nuclear generating plant is economically feasible;

(2) the commission finds that there has been developed and the United States through its authorized agency has approved, and there exists a demonstrated method for the permanent disposition of high-level nuclear waste; and

(3) the commission reports its findings to the legislature and the legislature expressly permits the commission by law to grant a certificate of need to construct a nuclear fission electrical generating power plant.

Sec. 13. [APPROPRIATION.]

Subdivision 1. [COMMISSIONER OF PUBLIC SAFETY.] \$_____ is appropriated from the general fund to the commissioner of public safety, to be available until June 30, 1987, for high level nuclear waste emergency response and preparedness, and nuclear waste shipment inspections.

Subd. 2. [STATE PLANNING AGENCY.] \$_____ is appropriated from the general fund to the state planning agency, to be available until June 30, 1987, for the duties and functions of the governor's nuclear waste council.

Sec. 14. [EFFECTIVE DATE.]

Sections 1 to 12 are effective the day following enactment."

Delete the title and insert:

"A bill for an act relating to environment; creating the governor's nuclear waste council; providing for the inspection of shipping and designation of transportation routes; providing coordination with the federal government's nuclear waste site planning; providing for emergency preparedness to nuclear incidents; requiring legislative approval for construction of a nuclear fission electrical generating plant in Minnesota; appropriating money; amending Minnesota Statutes 1984, sections 116C.71, by adding a subdivision; 116C.72; 116C.731, subdivisions 3 and 4, and by adding subdivisions; and 216B.243, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 116C."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Mr. Purfeerst questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 781: A bill for an act relating to juvenile court; clarifying the authority to release juvenile court records; amending Minnesota Statutes 1984, section 260.161, subdivision 2.

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

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 433: A bill for an act relating to crimes; permitting crime victims suffering certain types of property damage to file claims for reparations; amending Minnesota Statutes 1984, sections 611A.52; 611A.53, subdivision 2; 611A.54; and 611A.60.

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

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 560: A bill for an act relating to civil actions; authorizing aggregation of the fault of multiple defendants in comparative fault actions; amending Minnesota Statutes 1984, section 604.01, subdivision 1.

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

Page 1, line 11, strike "not"

Page 1, line 13, strike the comma and insert "only"

Page 1, line 14, strike "not" and delete "one or"

Page 1, line 15, delete "more other" and insert "all"

Page 1, after line 22, insert:

"Sec. 2. Minnesota Statutes 1984, section 604.02, subdivision 1, is amended to read:

Subdivision 1. When two or more persons are jointly liable, contributions to awards shall be in proportion to the percentage of fault attributable to each, except that each is jointly and severally liable for the whole award. *Provided, however, that a person whose fault is less than that of a claimant is liable to the claimant only for that portion of the judgment that represents the percentage of fault attributable to that person.*

Sec. 3. Minnesota Statutes 1984, section 604.02, subdivision 3, is amended to read:

Subd. 3. In the case of a claim arising from the manufacture, sale, use or consumption of a product, an amount uncollectible from any person in the chain of manufacture and distribution shall be reallocated among all other persons in the chain of manufacture and distribution but not among the claimant or others at fault who are not in the chain of manufacture or distribution of the product. ~~Provided, however, that a person whose fault is less than that of a claimant is liable to the claimant only for that portion of the judgment which represents the percentage of fault attributable to him.~~

Page 1, line 24, delete "Section 1 is" and insert "Sections 1 to 3 are" and delete "applies" and insert "apply"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "limiting the application of joint and several liability in certain cases;" and delete "section" and insert "sections"

Page 1, line 5, before the period, insert "; and 604.02, subdivisions 1 and 3"

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

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 1126: A bill for an act relating to crimes; transferring administration of crime victim crisis centers and the crime victims reparations board to the office of attorney general; amending Minnesota Statutes 1984, sections 611A.41, subdivision 2; 611A.44; 611A.53, subdivision 2; 611A.54; 611A.55, subdivision 1; and 611A.56, subdivision 1; repealing Minnesota Statutes 1984, section 611A.42.

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

Pages 1 and 2, delete sections 1 and 2

Page 2, lines 31 to 33; delete the new language

Page 2, after line 34, insert:

"The limitations contained in clauses (a) and (d) do not apply to victims of domestic child abuse as defined in section 260.015, subdivision 24."

Pages 3 and 4, delete sections 5 to 7

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon

Page 1, delete lines 3 and 4 and insert "changing reparations provisions for crime victims;"

Page 1, line 5, delete "611A.41,"

Page 1, line 6, delete "subdivision 2; 611A.44;" and after the third semicolon, insert "and"

Page 1, line 7, delete everything after "611A.54" and insert a period

Page 1, delete lines 8 and 9

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

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 1049: A bill for an act relating to human services; refining the vulnerable adults reporting act; clarifying definitions and records provisions; amending Minnesota Statutes 1984, section 626.557, subdivisions 2, 5, 8, 9, 10, 11, 12, 15, 17, and 19, and by adding a subdivision.

Reports the same back with the recommendation that the bill be amended

as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1984, section 626.557, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] As used in this section, the following terms have the meanings given them unless the specific context indicates otherwise.

(a) "Facility" means a hospital or other entity required to be licensed pursuant to sections 144.50 to 144.58; a nursing home required to be licensed to serve adults pursuant to section 144A.02; an agency, day care facility, or residential facility required to be licensed to serve adults pursuant to sections 245.781 to 245.812; a ~~mental health program receiving funds pursuant to section 245.61~~; or a home health agency certified for participation in Titles XVIII or XIX of the Social Security Act, United States Code, title 42, sections 1395 et seq.

(b) "Vulnerable adult" means any person 18 years of age or older:

(1) who is a resident or inpatient of a facility;

(2) who receives services at or from a facility required to be licensed to serve adults pursuant to sections 245.781 to 245.812, except a person receiving outpatient services for treatment of chemical dependency or mental illness;

(3) who receives services from a home health agency certified for participation under Titles XVIII or XIX of the Social Security Act, United States Code, title 42, sections 1395 et seq and 1396 et seq; or

(4) who, regardless of residence or type of service received, is unable or unlikely to report abuse or neglect without assistance because of impairment of mental or physical function or emotional status.

(c) "Caretaker" means an individual or facility who has responsibility for the care of a vulnerable adult as a result of a family relationship, or who has assumed responsibility for all or a portion of the care of a vulnerable adult voluntarily, ~~or~~ by contract, or by agreement.

(d) "Abuse" means:

(1) any act which constitutes a violation under sections 609.221 to 609.223, ~~609.23 to 609.235~~, 609.322, 609.342, 609.343, 609.344, or 609.345; ~~or~~

(2) ~~The intentional and nontherapeutic infliction of physical pain or injury, or any persistent course of conduct intended to produce mental or emotional distress~~ nontherapeutic conduct which produces or could reasonably be expected to produce pain or injury and is not accidental, or any repeated conduct which produces or could reasonably be expected to produce mental or emotional distress;

(3) any sexual contact between a facility staff person and a resident or client of that facility; or

(4) the illegal use of a vulnerable adult's person or property for another

person's profit or advantage, or the breach of a fiduciary relationship through the use of a person or a person's property for any purpose not in the proper and lawful execution of a trust, including but not limited to situations where a person obtains money, property, or services from a vulnerable adult through the use of undue influence, harassment, duress, deception, or fraud.

(e) "Neglect" means:

(1) failure by a caretaker to supply ~~the~~ a vulnerable adult with necessary food, clothing, shelter, health care or supervision; ~~or~~

(2) the absence or likelihood of absence of necessary food, clothing, shelter, health care, or supervision for a vulnerable adult; ~~or~~

(3) *the absence or likelihood of absence of necessary financial management to protect a vulnerable adult against abuse as defined in paragraph (d), clause (4).*

(f) "Report" means any report received by ~~the~~ a local welfare agency, police department, county sheriff, or licensing agency pursuant to this section.

(g) "Licensing agency" means:

(1) the commissioner of health, for facilities as defined in clause (a) which are required to be licensed or certified by the department of health;

(2) the commissioner of human services, for facilities required by sections 245.781 to 245.813 to be licensed;

(3) any licensing board which regulates persons pursuant to section 214.01, subdivision 2; and

(4) any agency responsible for credentialing human services occupations.

Sec. 2. Minnesota Statutes 1984, section 626.557, subdivision 5, is amended to read:

Subd. 5. [IMMUNITY FROM LIABILITY.] ~~A~~ Any person, including a person voluntarily making ~~reports a report~~ and a person required to make ~~reports a report~~ under subdivision 3, ~~participating who participates~~ in good faith in making or investigating a report or enforcing the law pursuant to this section shall have immunity from any civil liability that otherwise might result from making or investigating the report or enforcing the law.

Sec. 3. Minnesota Statutes 1984, section 626.557, subdivision 9, is amended to read:

Subd. 9. [MANDATORY REPORTING TO A MEDICAL EXAMINER OR CORONER.] ~~When~~ A person required to report under the provisions of subdivision 3 who has reasonable cause to believe that a vulnerable adult has died as a direct or indirect result of abuse or neglect, ~~he~~ shall report that information to the appropriate medical examiner or coroner in addition to the local welfare agency, police department, or county sheriff or appropriate licensing agency or agencies. The medical examiner or coroner shall complete an investigation as soon as feasible and report the findings to the police department or county sheriff, ~~and~~ the local welfare agency, ~~and, if applicable, each licensing agency.~~

Sec. 4. Minnesota Statutes 1984, section 626.557, subdivision 10, is

amended to read:

Subd. 10. [DUTIES OF LOCAL WELFARE AGENCY UPON A RECEIPT OF A REPORT.] (a) The local welfare agency shall immediately investigate and offer emergency and continuing protective social services for purposes of preventing further abuse or neglect and for safeguarding and enhancing the welfare of the abused or neglected vulnerable adult. Local welfare agencies may enter facilities and inspect and copy records as part of investigations. In cases of suspected sexual abuse, the local welfare agency shall immediately arrange for and make available to the victim appropriate medical examination and treatment. The investigation shall not be limited to the written records of the facility, but shall include every other available source of information. When necessary in order to protect the vulnerable adult from further harm, the local welfare agency shall seek authority to remove the vulnerable adult from the situation in which the neglect or abuse occurred. The local welfare agency shall also investigate to determine whether the conditions which resulted in the reported abuse or neglect place other vulnerable adults in jeopardy of being abused or neglected and offer protective social services that are called for by its determination. In performing any of these duties, the local welfare agency shall maintain appropriate records.

(b) If the report indicates, or if the local welfare agency finds that the suspected abuse or neglect occurred at a facility, or while the vulnerable adult was or should have been under the care of or receiving services from a facility, or that the suspected abuse or neglect involved a person licensed by a licensing agency to provide care or services, the local welfare agency shall immediately notify ~~the each~~ appropriate licensing agency ~~or agencies~~, and provide ~~the each~~ licensing agency with a copy of the report and of its investigative findings.

(c) *When necessary in order to protect a vulnerable adult from serious harm, the local agency shall immediately intervene on behalf of that adult to help the family, victim, or other interested person by seeking any of the following:*

(1) *a restraining order or a court order for removal of the perpetrator from the residence of the vulnerable adult pursuant to section 518B.01;*

(2) *the appointment of a guardian or conservator pursuant to sections 525.539 to 525.6198, or guardianship or conservatorship pursuant to chapter 252A;*

(3) *replacement of an abusive or neglectful guardian or conservator and appointment of a suitable person as guardian or conservator, pursuant to sections 525.539 to 525.6198; or*

(4) *a referral to the prosecuting attorney for possible criminal prosecution of the perpetrator under chapter 609.*

The expenses of legal intervention must be paid by the county in the case of indigent persons, under section 525.703 and chapter 563.

In proceedings under sections 525.539 to 525.6198, if a suitable relative or other person is not available to petition for guardianship or conservatorship, a county employee shall present the petition with representation by the county

attorney. The county shall contract with or arrange for a suitable person or nonprofit organization to provide ongoing guardianship services. If the county presents evidence to the probate court that it has made a diligent effort and no other suitable person can be found, a county employee may serve as guardian or conservator. The county shall not retaliate against the employee for any action taken on behalf of the ward or conservatee even if the action is adverse to the county's interest. Any person retaliated against in violation of this subdivision shall have a cause of action against the county and shall be entitled to reasonable attorney fees and costs of the action if the action is upheld by the court.

Sec. 5. Minnesota Statutes 1984, section 626.557, is amended by adding a subdivision to read:

Subd. 11a. [DUTIES OF PROSECUTING AUTHORITIES.] Upon receipt of a report from a social service or licensing agency, the prosecuting authority shall immediately investigate, prosecute when warranted, and transmit its findings and disposition to the referring agency."

Delete the title and insert:

"A bill for an act relating to human services; refining the vulnerable adults reporting act; clarifying definitions; requiring reporting of financial exploitation; providing for local welfare agency actions to protect vulnerable adults; amending Minnesota Statutes 1984, section 626.557, subdivisions 2, 5, 9, and 10, and by adding a subdivision."

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

Mr. Spear from the Committee on Judiciary, to which was re-referred

S.F. No. 901: A bill for an act relating to human services; increasing incentives for enforcing and collecting child support; amending Minnesota Statutes 1984, sections 256.74, subdivision 5; 256.87, subdivisions 1a and 3; 257.58, subdivision 1; 518.551, subdivision 7; 518.611, subdivisions 2, 4, and 6; and 518.645; repealing Minnesota Statutes 1984, section 518.611, subdivision 3.

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

Page 1, after line 10, insert:

"Section 1. Minnesota Statutes 1984, section 256.74, subdivision 1, is amended to read:

Subdivision 1. [AMOUNT.] The amount of assistance which shall be granted to or on behalf of any dependent child and mother or other needy eligible relative caring for the dependent child shall be determined by the county agency in accordance with rules promulgated by the commissioner and shall be sufficient, when added to all other income and support available to the child, to provide the child with a reasonable subsistence compatible with decency and health. The amount shall be based on the method of budgeting required in Public Law No. 97-35, Section 2315, 42 U.S.C. 602, as amended and federal regulations at 45 C.F.R. Section 233. In making its

determination the county agency shall disregard the following from family income:

(1) All of the earned income of each dependent child receiving aid to families with dependent children who is a full-time student or part-time student, and not a full-time employee, attending a school, college, or university, or a course of vocational or technical training designed to fit him for gainful employment;

(2) All educational grants and loans awarded pursuant to a federal law when public assistance was considered in making the award and the award was made on the basis of financial need; and that part of any other educational grant or loan which is used for educational purposes, such as tuition, fees, equipment, transportation and child care expenses necessary for school attendance;

(3) The first \$75 of each individual's earned income. In the case of an individual not engaged in full-time employment or not employed throughout the month the commissioner shall prescribe by rule a lesser amount to be disregarded. For self-employed persons, the expenses directly related to producing goods and services and without which the goods and services could not be produced shall be disregarded pursuant to rules promulgated by the commissioner;

(4) An amount equal to the actual expenditures but not to exceed \$160 for the care of each dependent child or incapacitated individual living in the same home and receiving aid. In the case of a person not engaged in full-time employment or not employed throughout the month, the commissioner shall prescribe by rule a lesser amount to be disregarded; and

(5) Thirty dollars plus one-third of the remainder of each individual's earned income not already disregarded for individuals found otherwise eligible to receive aid or who have received aid in one of the four months before the month of application. With respect to any month, the county welfare agency shall not disregard under this clause any earned income of any person who has:

(a) Reduced his earned income without good cause within 30 days preceding any month in which an assistance payment is made; or

(b) Refused without good cause to accept an offer of suitable employment; or

(c) Left employment or reduced his earnings without good cause and applied for assistance so that he might later return to employment with the advantage of the income disregard; or

(d) Failed without good cause to make a timely report of earned income in accordance with rules promulgated by the commissioner of human services.

Persons who are already employed and who apply for assistance shall have their needs computed with full account taken of their earned and other income. If earned and other income of the family is less than need, as determined on the basis of public assistance standards, the county agency shall determine the amount of the grant by applying the disregard of income provisions. The county agency shall not disregard earned income for persons in a family if the total monthly earned and other income exceeds their needs,

unless for any one of the four preceding months their needs were met in whole or in part by a grant payment.

The disregard of \$30 and one-third of the remainder of earned income described in clause (5) shall be applied to the individual's income for a period not to exceed four consecutive months. Any month in which the individual loses this disregard because of the provisions of clause (5)(a) to (5)(d) shall be considered as one of the four months. To again qualify for this earned income disregard, the individual must not be a recipient of aid for a period of 12 consecutive months. If an individual becomes ineligible for aid because this earned income disregard has been applied to income for four consecutive months and will no longer be applied to income, the local agency shall inform the individual of the medical assistance program, its standards of eligibility, and the circumstances under which the individual would be eligible for medical assistance.

(6) The commissioner shall increase the standard of need for persons with earned income in effect on January 1, 1982, by 35 percent for each assistance unit. The maximum amount paid to an assistance unit shall be no more than 74 percent of the increased standard of need. Whenever the commissioner increases the maximum payment amount for all assistance units, the commissioner shall increase the maximum standard of need by an equal percentage.

To determine the amount of assistance to be paid to an assistance unit, net income shall be determined in a manner consistent with this chapter and applicable federal law. Net earned income shall be subtracted from the increased standard of need for an assistance unit of the appropriate size and composition to determine the grant amount, except that the grant shall not exceed the standard of need in effect on January 1, 1982 for an assistance unit of the same size and composition. Unearned income shall be subtracted from the maximum payment amount for an assistance unit of the appropriate size and composition to determine the grant amount.

Medical assistance eligibility for medically needy persons who are eligible for aid to families with dependent children shall be determined according to the standard of need in effect on January 1, 1982.

The first \$50 of periodic support payments collected by the public authority responsible for child support enforcement from a person with a legal obligation to pay support for a member of the assistance unit shall be paid to the assistance unit within 15 days of the collection of such periodic support payments and shall be disregarded in determining the amount of assistance."

Page 4, line 7, delete ", or an"

Page 4, delete line 8

Page 4, line 23, strike "TO OBLIGOR OF CONDITIONS" and insert "OF INCOME WITHHOLDING"

Page 4, line 32, after the second "of" insert "income withholding, showing" and after "arrearage" insert a comma

Page 4, line 33, strike "determination" and insert "notice of income withholding"

Page 4, line 36, after the stricken "or" insert "fails" and reinstate the

stricken "to move the court"

Page 5, line 2, after the stricken "support" insert "*to deny withholding on the grounds that an arrearage of at least 30 days does not exist as of the date of the notice of income withholding, or on other grounds limited to mistakes of fact,*" and reinstate the stricken "and, ex parte, to stay service on the payor of funds"

Page 5, line 3, reinstate the stricken "until the motion to" and after the stricken "modify" insert "*deny withholding*" and reinstate the stricken "is heard" and insert "*. Within 45 days from the date of the notice of income withholding, the court shall hold the hearing on the motion to deny withholding and notify the parties of its decision;*" and reinstate the stricken "and" and delete the new language

Page 5, delete lines 4 to 11

Page 5, line 13, strike "determination of arrearage" and insert "*notice of income withholding*"

Page 5, line 16, strike "determination of arrearage" and insert "*notice of income withholding*"

Page 5, line 19, delete "provided" and insert "*of income withholding*"

Page 5, line 20, delete "*in paragraph (a), clause (2)*"

Page 5, after line 28, insert:

"Sec. 8. Minnesota Statutes 1984, section 518.611, subdivision 3, is amended to read:

Subd. 3. **[MODIFICATION ORDERS WITHHOLDING HEARING.]** An order issued after the hearing on the motion to modify under subdivision 2, paragraph (e), of this section, shall provide that payments be made outright by withholding. The conditions precedent to withholding of subdivision 2 do not apply. At the hearing to deny withholding, if the court finds that there was no mistake of fact, the court shall order income withholding to begin no later than the first pay period that occurs after 14 days following the date of the hearing. If the court finds that an arrearage of at least 30 days existed as of the date of the notice of income withholding, but finds a mistake in the amount of arrearage, the court shall order income withholding, but it shall correct the amount of arrearage to be withheld under subdivision 2, paragraph (b)."

Page 6, after line 29, insert:

"Sec. 11. Minnesota Statutes 1984, section 518.611, is amended by adding a subdivision to read:

Subd. 9. **[FORMS.]** The commissioner of human services shall prepare and make available to courts and obligors a form to be submitted by the obligor in support of a motion to deny withholding under this section. The rulemaking provisions of chapter 14 shall not apply to the preparation of the form."

Page 7, line 22, after "notice" insert "*of income withholding*"

Page 7, line 23, strike "of its" and insert "*showing the*"

Page 7, line 25, after "notice" insert "*of income withholding*"

Page 7, line 26, reinstate the stricken "move the"

Page 7, line 27, reinstate the stricken "Court"

Page 7, line 29, after the stricken "maintenance" insert "*to deny withholding on the grounds that an arrearage of at least 30 days does not exist as of the date of the notice of income withholding or on other grounds limited to mistakes of fact*" and reinstate the stricken "and, ex parte, to stay service of withholding on the"

Page 7, line 30, reinstate the stricken "employer or other payor of funds until the motion to"

Page 7, line 30, after the stricken "modify" insert "*deny withholding*" and reinstate the stricken "is"

Page 7, line 31, reinstate the stricken "heard" and insert ". Within 45 days from the date of the notice of income withholding, the court shall hold the hearing on the motion to deny withholding and notify the parties of its decision" and delete the new language

Page 7, delete lines 32 to 36

Page 8, delete line 1

Page 8, line 2, delete "notice provided in paragraph (b)"

Page 8, line 3, strike "fifteen" and insert "15"

Page 8, line 4, strike "in paragraph (b)" and insert "*of income withholding*"

Page 8, line 5, strike "its determination of a thirty-day" and insert "*the notice of income withholding*"

Page 8, line 6, strike "delinquency"

Page 8, line 17, after "date" insert "*of mailing*" and after "notice" insert "*to the employer or other payor of funds*" and after "and" insert "*from that date the employer or other payor of funds*"

Page 8, line 34, after the first "address" insert "*of record*" and after the first "and" insert ", if known, the"

Page 8, line 35, delete "if known"

Page 9, after line 5, insert:

"Sec. 13. Minnesota Statutes 1984, section 543.20, is amended to read:

543.20 [PERSONAL JURISDICTION IN SUPPORT ENFORCEMENT CASES AND PATERNITY SUITS.]

Subdivision 1. [SERVICE.] In addition to the methods of service of process provided in the rules of civil procedure, service of a summons, an order to show cause, or an order or judgment within this state may also be made upon an individual by delivering a copy to him or her personally at his or her place of employment or at a post-secondary education institution in which he or she is enrolled. The employer shall make the individual available for the purpose of delivering a copy. The post-secondary education institution must make the individual's class schedule available to the process server

or make the individual available for the purpose of delivering a copy. No employer or post-secondary education institution shall deny a process server admittance to the employer's or post-secondary education institution's premises for the purpose of making service under this section.

No service shall be allowed under this section unless such service is made personally on the individual.

Subd. 2. [APPLICABILITY.] *Service of an employee at a place of employment or of a student at a post-secondary education institution applies only to: (a) summons in an action for dissolution, annulment, legal separation, or under the parentage act and under section 256.87; (b) orders to show cause under both section 256.87 and the revised uniform Reciprocal Enforcement of Support Act as well as for contempt of court for failure to pay child support; (c) petitions under the Domestic Abuse Act; and (d) motions, orders and judgments for the payment of child support when the court orders personal service.*

Subd. 3. [RETALIATION PROHIBITED.] *An employer shall not discharge or otherwise discipline an employee, nor shall a post-secondary education institution dismiss or discipline a student as a result of service under this section.*

Subd. 4. [DEFINITION.] *For purposes of this section "post-secondary education institution" means any state university, community college, area vocational technical institution, private college, private post-secondary school, or the University of Minnesota."*

Page 9, line 7, delete "518.611, subdivision 3" and insert "257.62, subdivision 4"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, delete "subdivision" and insert "subdivisions 1 and"

Page 1, line 6, before "4" insert "3,"

Page 1, line 7, after "6" insert ", and by adding a subdivision" and delete the second "and"

Page 1, line 7, after "518.645;" insert "and 543.20;"

Page 1, line 8, delete "518.611, subdivision 3" and insert "257.62, subdivision 4"

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

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 1404: A bill for an act relating to Dakota county; permitting electronic funds transfers.

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

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 1308: A bill for an act relating to Olmsted county; providing for sales, leases, and conveyances; providing certain exceptions to public bidding requirements.

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

Page 1, line 18, after "*purposes*" insert "*or properties to be leased to a governmental unit, agency, or instrumentality of the state or the United States for law enforcement purposes*"

And when so amended the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Amendments adopted. Report adopted.

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 1242: A bill for an act relating to municipalities; excluding programs licensed by the department of corrections from the residential programs that are considered a permitted single family residential use of property for purposes of zoning; amending Minnesota Statutes 1984, sections 245.812, subdivision 3; and 462.357, subdivision 7.

Reports the same back with the recommendation that the bill do pass. Ms. Berglin questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 1220: A bill for an act relating to the city of Wadena; permitting the establishment of a port authority.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Report adopted.

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 1208: A bill for an act relating to the city of Gaylord; authorizing the issuance of general obligation bonds to finance the acquisition and betterment of municipal buildings.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Report adopted.

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 1075: A bill for an act relating to local government; permitting land transfer between Ramsey county and town of White Bear.

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

Delete everything after the enacting clause and insert:

"Section 1. [RAMSEY COUNTY; WHITE BEAR; LAND

TRANSFERS.]

Ramsey county and the town of White Bear may transfer to each other either or both of the following described parcels of real property

(a) Parcel One

That part of the South 600 feet of the East 300 feet of the SE quarter of the SE quarter of Section 9, Township 30, Range 22, lying north of a line described as follows: beginning at a point on the East line of the said SE quarter, 370 feet north of the South line of said Section 9 thence westerly to a point on the West line of said East 300 feet thereof, and 513 feet north of said South section line, and there terminating.

(b) Parcel Two

Subject to Hammond Road, the west 237 feet of the East 537 feet of the South 233 feet of the SE quarter of the SE Quarter of Section 9, Township 30, Range 22.

This section supersedes any inconsistent provision of Minnesota Statutes, section 383A.07, or other law.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective after approval by the governing body of Ramsey county and the town board of White Bear the day after their compliance with Minnesota Statutes, section 645.021, subdivision 3."

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

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 1187: A bill for an act relating to local government; regulating municipal employee residency requirements; exempting certain firefighters; amending Minnesota Statutes 1984, section 415.16, by adding a subdivision.

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

Page 1, line 10, delete everything after "3." and insert "A statutory or home rule charter city or county may impose a reasonable area or response time residency requirement on any person employed as a volunteer or as a member of a nonprofit firefighting corporation if there is a demonstrated, job-related necessity."

Page 1, delete lines 11 to 13

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

Mr. Solon from the Committee on Economic Development and Commerce, to which was referred

S.F. No. 928: A bill for an act relating to occupations and professions; establishing a state board of hearing instrument dispensing; providing for licensure of persons engaged in the sale of hearing instruments; appropriating

money; providing penalties; amending Minnesota Statutes 1984, section 214.01, subdivision 3; proposing coding for new law as Minnesota Statutes, chapter 153A.

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

Delete everything after the enacting clause and insert:

"Section 1. [153A.01] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] For the purposes of sections 1 to 15, the terms defined in this section have the meanings given to them.

Subd. 2. [HEARING INSTRUMENT.] "Hearing instrument" means an instrument designed for or represented as aiding defective human hearing, and its parts, attachments, or accessories, including but not limited to ear molds. Batteries and cords are not parts, attachments, or accessories of a hearing instrument. Cochlear implants are not hearing instruments.

Subd. 3. [HEARING INSTRUMENT DISPENSER.] "Hearing instrument dispenser" means a natural person licensed by the department to fit and dispense hearing instruments, to assist the consumer in instrument selection, and to sell hearing instruments at retail. The term includes the testing of human hearing in connection with these activities. Nothing contained in this chapter shall be deemed to preclude or limit the testing of hearing by audiologists who are duly certified by the American speech and hearing association to test human hearing.

Subd. 4. [HEARING INSTRUMENT DISPENSING.] "Hearing instrument dispensing" means fitting and dispensing hearing instruments, assisting the consumer in instrument selection, and selling hearing instruments at retail. The term includes the testing of human hearing in connection with these activities.

Subd. 5. [COMMISSIONER.] "Commissioner" means the commissioner of commerce.

Subd. 6. [DEPARTMENT.] "Department" means the department of commerce.

Sec. 2. [153A.02] [POWERS AND DUTIES.]

Subdivision 1. [REGULATION.] The department shall:

- (1) regulate the practice of hearing instrument dispensing;*
- (2) regulate the retail fitting, dispensing, and sale of hearing instruments within this state;*
- (3) examine and license as hearing instrument dispensers all applicants whom it considers qualified;*
- (4) deny, suspend, revoke, or refuse to renew a license required under this chapter, to any applicant or licensee upon any of the following grounds:*
 - (a) fraud or deception in connection with the securing of a license or in connection with the fitting, dispensing, or sale of hearing instruments;*
 - (b) conviction in any court of a felony;*

- (c) conviction in any court of an offense involving moral turpitude;
- (d) employing, assisting, or enabling in any manner an unlicensed person to engage in hearing instrument dispensing;
- (e) violation of any of the provisions of sections 1 to 15 or any of the rules adopted to implement sections 1 to 15;
- (5) perform any other duties and exercise other powers required by sections 1 to 15.

For the purposes of clauses (1) to (5) the department shall adopt rules to carry out sections 1 to 15.

Subd. 2. [CONTESTED CASES.] The department shall comply with the contested case provisions of chapter 14 before it fails to issue, fails to renew, suspends, or revokes any license issued under sections 1 to 15.

Subd. 3. [REINSTATEMENT OF LICENSE.] A license that has been suspended or revoked may be reinstated by the department if the holder of the license pays all costs of the proceedings resulting in the suspension or revocation and also pays a fee set by the department.

Sec. 3. [153A.03] [EXAMINATIONS; FEES.]

The department shall give reasonable notice of all examinations by mail to known applicants for examination. Testing of applicants must occur at least three times annually and at intervals no greater than five calendar months apart. The department shall record the names of all persons licensed as hearing instrument dispensers, together with the grounds upon which the right of each to licensure was claimed. The department may establish the fee for examination. The fee may, in the discretion of the department, be returned to applicants not taking the examination.

Sec. 4. [153A.04] [CONTENTS OF EXAMINATION.]

Testing for licensure as a hearing instrument dispenser must consist of written, oral, and practical tests. The tests must be objective in method and applied in a consistent manner and must include the following subjects: (1) basic physics of sound; (2) the structure and function of hearing instruments; (3) the fitting of hearing instruments; (4) puretone audiometry, including air conduction testing and bone conduction testing; (5) live voice or record voice speech audiometry, or both; (6) recording and evaluation of audiograms and speech audiometry to determine the hearing instrument candidacy; (7) selection and adaptation of hearing instruments; (8) the taking of ear mold impressions; and (9) indications suggesting the need for referral to competent medical personnel for diagnosis and treatment of any disease or injury. The examination must not test knowledge of either the diagnosis or the treatment of any disease or injury to the human body. The commission shall consult with audiologists and hearing instrument dispensers in connection with preparation of the examination.

Sec. 5. [153A.05] [QUALIFICATIONS OF APPLICANTS.]

To be entitled to examination as a hearing instrument dispenser, the applicant must be of good moral character and at least 18 years old and meet educational criteria established for licensure by the department.

Sec. 6. [153A.06] [RECIPROCITY; LICENSURE.]

The department may in its discretion grant licensure without examination to any hearing instrument dispenser licensed by the regulatory agency of another state that gives similar recognition to licensees of this state. The department may grant such licensure if it finds that the requirements for licensure in the other state are equivalent to those provided in sections 1 to 15. The department may set the fee for licensure by rule.

Sec. 7. [153A.07] [RENEWAL FEE; CONTINUING EDUCATION.]

Subdivision 1. [FEE.] Every person licensed by the department shall pay to the department a renewal fee to be fixed by it. The commissioner may establish by rule a charge to be assessed for the delinquent payment of a fee. It is unlawful for a person who refuses or fails to pay the renewal fee to practice hearing instrument dispensing in this state. Every license expires at the time prescribed in the license.

Subd. 2. [TASK FORCE ON CONTINUING EDUCATION.] The commissioner may appoint an advisory task force on continuing education, consisting of not more than ten members, to study continuing education programs and requirements and to submit its report and recommendations to the department. The task force expires and the compensation and removal of members are as provided in section 15.059.

Sec. 8. [153A.08] [REINSTATEMENTS.]

A person who has been licensed as a hearing instrument dispenser and has defaulted in the payment of the renewal fee may be reinstated within two years of default without examination, upon payment of the arrears and upon compliance with education requirements established under section 7, subdivision 2.

Sec. 9. [153A.09] [UNLAWFUL USE OF HEARING INSTRUMENT DISPENSER.]

It is unlawful for any person to falsely assume or pretend to the title of hearing instrument dispenser.

Sec. 10. [153A.10] [BOND REQUIRED.]

A sole proprietor, partnership, association, or corporation engaged in the practice of hearing instrument dispensing shall provide a surety bond in favor of the state of Minnesota in the amount of \$10,000 for every five or fewer of its licensees engaged in the practice of hearing instrument dispensing, but a bond in excess of \$20,000 is not required of a business entity regardless of the number of licensed persons.

Sec. 11. [153A.11] [EXPENSES.]

The expenses of administering sections 1 to 9 must be paid from the appropriations made to the department.

Sec. 12. [153A.12] [PROHIBITED ACTS.]

No person may:

(1) fit, deliver, dispense, sell, or offer for sale at retail any hearing instrument without first obtaining a license;

(2) receive any portion of the profits from the fitting, dispensing, or sale of

hearing instruments at retail unless the person has the qualifications set forth in section 5;

(3) conduct a business engaged in the fitting, dispensing, or sale of hearing instruments at retail without a licensed hearing instrument dispenser or audiologist in charge;

(4) fit, dispense, assist in selection, or sell a hearing instrument at retail exclusively by means of telephonic or mailed communication; or both; or

(5) prescribe or otherwise recommend to any person the use of a hearing instrument unless the prescription or recommendation is in writing and delivered to the person to whom it relates, and which shall bear the following information in 12 point or larger bold type: **HEARING INSTRUMENTS MAY BE PURCHASED FROM ANY LICENSED HEARING INSTRUMENT DISPENSER. THIS PRESCRIPTION MAY BE FILLED BY THE DISPENSER OF YOUR CHOICE.**

A prescription or written recommendation shall include any audiogram upon which the prescription or recommendation is based.

The attorney general shall enforce this section in the manner provided by section 8.31, but there is no private remedy as provided by section 8.31, subdivision 3a.

Sec. 13. [153A.13] [ADVERTISING.]

The commissioner shall adopt rules respecting advertising of the fitting, dispensing, and sale of hearing instruments. However, the commissioner must not adopt a rule that:

(1) restricts the licensee's use of any medium for advertising;

(2) restricts the licensee's personal appearance or use of his or her voice in an advertisement;

(3) relates to the size or duration of an advertisement by the licensee; or

(4) restricts the licensee's advertisement under a trade name.

Sec. 14. [153A.14] [INTERNSHIP.]

The commissioner shall license as an intern any natural person who has satisfied the department that he or she is of good moral character, is not physically or mentally unfit, and meets the requirements for intern licensure prescribed by the department. The intern's experience must be supervised by a licensed hearing instrument dispenser. No person may be licensed as an intern for more than 12 calendar months, and the license must not be renewed or otherwise extended by the department. No more than three intern licensees shall be permitted to hold an intern license to practice hearing instrument dispensing under the supervision of any single licensed hearing instrument dispenser. A document evidencing the fitting, selection, sale, or delivery of a hearing instrument at retail must bear the name of the supervising licensee in addition to the name of any intern licensee involved in the transaction.

Sec. 15. [153A.15] [VIOLATION A MISDEMEANOR.]

Any person violating sections 1 to 14, or rules adopted under them, is

guilty of a misdemeanor.

Sec. 16. [APPLICATION.]

Sections 3 and 7 of this act have no application to persons licensed under chapter 147 or to audiologists who hold the Certificate of Clinical Competence of the American Speech-Language-Hearing Association, except that those persons shall be required to pay to the department the license and renewal fees provided in sections 3 and 7.

Sec. 17. [APPROPRIATION.]

\$_____ is appropriated from the general fund to the department of commerce to implement sections 1 to 15, to be available until June 30, 1987.

Sec. 18. [EFFECTIVE DATES.]

Sections 1 to 8, 10, 11, 13, 14, and 16 are effective July 1, 1985. Sections 9, 12, and 15 are effective July 1, 1986.

Amend the title as follows:

Page 1, lines 2 and 3, delete "establishing a state board of hearing instrument dispensing;"

Page 1, line 6, delete everything after the semicolon

Page 1, line 7, delete everything before "proposing"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Ms. Berglin questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Mr. Schmitz from the Committee on Local and Urban Government, to which was re-referred

S.F. No. 1307: A bill for an act relating to cemeteries; providing for the maintenance of certain cemeteries containing the remains of pioneers and Minnesotans who died through the year 1875; amending Minnesota Statutes 1984, section 306.243, subdivision 1.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

Mr. Schmitz from the Committee on Local and Urban Government, to which was re-referred

S.F. No. 1189: A bill for an act relating to local government; fixing conditions of certain energy improvement loans; amending Minnesota Statutes 1984, section 471.65.

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

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 1165: A bill for an act relating to regional development commissions; providing for dissolution of a commission upon petition by cities,

counties, and towns; amending Minnesota Statutes 1984, section 462.398, subdivisions 1 and 2.

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

Page 1, line 18, strike everything after the period

Page 1, strike line 19

Page 1, line 20, strike the old language before "Any" and delete "or town"

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

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 1447: A bill for an act relating to the city of Breckenridge; permitting the establishment of a port authority; authorizing the port authority to exercise the powers of a municipal housing and redevelopment authority.

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

Page 2, delete section 3

And when so amended the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Amendments adopted. Report adopted.

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 1291: A bill for an act relating to the city of Harmony; allocating money from state-aid funds to replace bridge.

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

Page 1, line 7, delete "162.07" and insert "174.50"

Page 1, lines 9, 13, and 22, delete "city" and insert "town"

Page 1, line 10, delete "county state-aid" and insert "Minnesota state transfer"

Amend the title as follows:

Page 1, line 2, delete "city" and insert "town"

Page 1, line 3, delete "state-aid" and insert "state transfer"

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

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 1064: A bill for an act relating to local government; authorizing the city of Carlton to issue general obligation bonds to finance the acquisition

and betterment of a new fire hall; permitting participation by other local government units.

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

Page 2, after line 30, insert:

“Sec. 3. [CITY OF MCGREGOR; DEBT LIMIT.]

The city of McGregor may incur net debt of \$100,000 in excess of that permitted by Minnesota Statutes, chapter 475, for the construction of a library and related facilities.”

Page 2, line 32, before “Pursuant” insert “Subdivision 1.”

Page 2, after line 34, insert:

“Subd. 2. Section 3 is effective the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of the city of McGregor.”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, after “units” insert “; providing for the debt limit of the city of McGregor”

And when so amended the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Amendments adopted. Report adopted.

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 1411: A bill for an act relating to the city of Bemidji; permitting the city to contribute to a community seed capital fund.

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

Page 1, line 6, after “1.” insert “[465.77]” and delete “BEMIDJI;” and insert “COMMUNITY” and after “CAPITAL” insert “FUND”

Page 1, line 7, delete the second “the” and insert “a home rule or statutory” and delete “of Bemidji”

Page 1, delete section 2

Amend the title as follows:

Page 1, line 2, delete “the city of Bemidji” and insert “local government” and delete “the” and insert “a home rule or statutory”

Page 1, line 3, before the period, insert “; proposing coding for new law in Minnesota Statutes, chapter 465”

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

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 1358: A bill for an act relating to local government; providing for the maintenance of town cartways; amending Minnesota Statutes 1984, section 164.08, by adding a subdivision.

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

Page 1, line 14, delete "equally" and insert "equitably"

Page 1, line 16, after the period, insert "*The following factors may be taken into consideration when determining an equitable share of maintenance expenses: the frequency of use, the type and weight of the vehicles or equipment, and the distance traveled on the cartway to the individual's property. The town board may determine the maintenance costs to be apportioned to each property owner if the property owners cannot agree on the division of the costs.*"

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

Mr. Merriam from the Committee on Agriculture and Natural Resources, to which was referred

S.F. No. 1298: A bill for an act relating to natural resources; altering certain revenue and fee provisions for state parks, recreation areas, and waysides; amending Minnesota Statutes 1984, sections 85.05, subdivisions 1 and 2; and 85.22, subdivision 2a.

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

Pages 1 and 2, delete section 1 and insert:

"Section 1. Minnesota Statutes 1984, section 85.05, subdivision 1, is amended to read:

Subdivision 1. [RULES, FEES.] (a) The commissioner may make rules and charge fees for the use of state parks and charge appropriate fees and for these uses, as hereinafter specified, related services and facilities including:

(1) ~~Provide~~ special parking space for ~~automobile or automobiles~~ and other motor-driven ~~vehicle~~ vehicles in any state park or state recreation area;

(2) ~~Provide~~ special parking spurs and camp grounds for automobiles and sites for tent camping and special auto trailer coach parking spaces for the use of the individual charged for the space according to the daily rates which shall be determined and fixed by the commissioner consistent with the type of facility provided for the accommodation of guests in any particular park and with similar facilities offered for tourist camping in the area;

(3) ~~Improve~~ improving and ~~maintain~~ maintaining golf courses already established in state parks, and charge reasonable fees for the use thereof;

(4) ~~Charge a fee for entrance to any~~ pageant grounds which may be created in any state park for the purpose of having historical or other pageants conducted by the commissioner of any other authorized agency.

When deemed necessary the commissioner, for the purpose of better car-

rying out state park pageants, may stage the pageants in any municipal park or other lands near or adjoining any state park, and all receipts from the pageants shall be used in the same manner as though the pageants were carried on in a state park;

(5) ~~Provide~~ water, sewer, and electric service to trailer or tent camp sites and charge a reasonable fee therefor.

(b) Any individual age 65 or over ~~who is a resident of the state of Minnesota~~ who furnishes satisfactory proof of age ~~and residence~~ shall be exempt from payment of one-half of the fees set pursuant to clause 2 on ~~Monday~~ *Sunday* through Thursday of each week. Fees paid pursuant to this section *and gross receipts derived from sales, rentals, and leases of natural resources within state parks, recreation areas, and waysides, other than those on trust fund land,* shall be deposited in the state park maintenance and operation account in the state treasury."

Page 3, line 14, delete the comma and insert a semicolon

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Merriam from the Committee on Agriculture and Natural Resources, to which was referred

S.F. No. 1032: A bill for an act relating to agriculture; changing the agricultural land preservation pilot county program; amending Minnesota Statutes 1984, sections 40A.03, subdivisions 1 and 2; 40A.15, subdivisions 2 and 4.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1984, section 40A.01, subdivision 1, is amended to read:

Subdivision 1. [GOALS.] The goals of this chapter are to:

(1) preserve and conserve agricultural land, *including forest land*, for long-term agricultural use in order to protect the productive natural resources of the state, maintain the farm and farm-related economy of the state, and assure continued production of food *and timber* and ~~other~~ agricultural ~~products~~ *uses*;

(2) preserve and conserve soil and water resources; and

(3) encourage the orderly development of rural and urban land uses.

Sec. 2. Minnesota Statutes 1984, section 40A.02, subdivision 3, is amended to read:

Subd. 3. [AGRICULTURAL USE.] "Agricultural use" means the production of livestock, dairy animals, dairy products, poultry or poultry products, fur bearing animals, horticultural or nursery stock, fruit, vegetables, forage, grains, *timber, trees*, or bees and apiary products. "Agricultural use" also includes wetlands, pasture, forest land, wildlife land, and other

uses that depend on the inherent productivity of the land.

Sec. 3. Minnesota Statutes 1984, section 40A.02, subdivision 11, is amended to read:

Subd. 11. [FOREST LAND.] "Forest land" has the meaning given in ~~section 88.01, subdivision 7~~ means land that is at least ten percent stocked by trees of any size and capable of producing timber, or of exerting an influence on the climate or on the water regime; land that the trees described above have been removed from to less than ten percent stocking and that has not been developed for other use; and afforested areas.

Sec. 4. Minnesota Statutes 1984, section 40A.02, subdivision 15, is amended to read:

Subd. 15. [OFFICIAL CONTROLS.] "Official controls" or "controls" has the meaning given in ~~section 462.352~~ 394.22, subdivision 15 6.

Sec. 5. Minnesota Statutes 1984, section 40A.04, is amended to read:

40A.04 [STATEWIDE AGRICULTURAL LAND PRESERVATION.]

Subdivision 1. [COUNTIES.] ~~After January 1, 1987, each county with a completed county soil survey, except for counties in a county located outside of the metropolitan area, may submit to the commissioner and to the regional development commission in which it is located, if one exists, a proposed agricultural land preservation plan and proposed official controls implementing the plan. The remaining counties located outside of the metropolitan area may submit a proposed plan and proposed controls.~~ To the extent practicable, submission of the proposal must coincide with the completion of the county soil survey. The commissioner, in consultation with the regional development commission, shall review the plan and controls for consistency with the elements in this chapter and shall submit written comments to the county within 90 days of receipt of the proposal. The comments must include a determination of whether the plan and controls are consistent with the elements in this chapter. The commissioner shall notify the county of its determination. If the commissioner determines that the plan and controls are consistent, the county shall adopt the controls within 60 days of completion of the commissioner's review. ~~If the commissioner determines that the plan and controls are not consistent, the comments must include the additional elements that must be addressed by the county. The county shall amend its plan and controls to include the additional elements and adopt the amended controls within 90 days of completion of the commissioner's review.~~

Subd. 2. [NONMETROPOLITAN CITY.] A city that is located partially within a county in the metropolitan area but is not included in the definition of the metropolitan area may elect to be governed by this section. The city may:

(1) request the county outside of the metropolitan area where it is partially located to include the city in the agricultural land preservation plan and official controls of the county, ~~using the joint planning board process under section 462.3585~~ 394.32; or

(2) perform the duties of a county independently under this section.

If the city does not elect to be governed by this section, the city ~~shall~~ may perform the duties of an authority under chapter 473H.

Sec. 6. Minnesota Statutes 1984, section 40A.05, subdivision 1, is amended to read:

Subdivision 1. [GENERAL.] The plans and official controls prepared under this chapter *must be adopted in accordance with the provisions of chapters 394 or 462 that apply to comprehensive plans and official controls and must address the elements contained in this section.*

Sec. 7. Minnesota Statutes 1984, section 40A.05, subdivision 2, is amended to read:

Subd. 2. [PLAN.] A plan must address at least the following elements:

(1) integration with comprehensive county *and municipal* plans;

(2) *relationship with shoreland, surface water, and other land use management plans;*

~~(2)~~ (3) identification of land currently in agricultural use, including the type of agricultural use, the relative productive value of the land based on the crop equivalent rating, and the existing level of investment in buildings and equipment;

(4) *identification of forest land;*

~~(3)~~ (5) identification of areas in which development is occurring or is likely to occur during the next 20 years;

~~(4)~~ (6) identification of existing and proposed public sanitary sewer and water systems;

~~(5)~~ (7) classification of land suitable for long-term agricultural use and its current and future development;

~~(6)~~ (8) determination of present and future housing needs representing a variety of price and rental levels and an identification of areas adequate to meet the demonstrated or projected needs; and

~~(7)~~ (9) a general statement of policy as to how the county will achieve the goals of this chapter.

Sec. 8. Minnesota Statutes 1984, section 40A.06, is amended to read:

40A.06 [CONTESTED CASE HEARINGS; JUDICIAL REVIEW.]

If a county or a municipality in the county disputes the determination of the commissioner relating to *whether the plan and controls address the elements under this chapter*, the county or municipality may request that the commissioner initiate a contested case proceeding under chapter 14 within 30 days after receiving the determination. In addition, ten or more eligible voters of the county who own real estate within the county may request a contested case proceeding. The commissioner shall initiate the proceeding within 30 days after receiving the request. Judicial review of the contested case decision is as provided in chapter 14.

Sec. 9. Minnesota Statutes 1984, section 40A.07, subdivision 2, is amended to read:

Subd. 2. [RELATIONSHIP TO OTHER LAWS.] *Notwithstanding any law to the contrary, official controls adopted by a county under this chapter*

are binding within the incorporated limits of a municipality whether or not the municipality requests the county to adopt controls on its behalf. Nothing in this chapter limits a municipality's power to plan or ~~zone~~ adopt official controls under other laws or to adopt official controls that are consistent with or more restrictive than those enacted by the county.

Sec. 10. [40A.071] [AMENDED PLAN AND CONTROLS.]

A county or municipality that has adopted a plan and official controls under this chapter may amend the plan and controls under the initial review procedure contained in section 40A.04.

Sec. 11. [40A.121] [ANNEXATION PROCEEDINGS.]

Subdivision 1. [ANNEXATION PROHIBITED.] Land within an exclusive agricultural use zone that is within a township may not be annexed to a municipality under chapter 414, unless the Minnesota municipal board finds that either:

(1) the owner or the county has initiated termination of the zone under section 40A.11;

(2) because of size, tax base, population or other relevant factors, the township would not be able to provide normal governmental functions and services; or

(3) the zone would be completely surrounded by lands within a municipality.

Subd. 2. [EXCEPTION.] This section does not apply to annexation agreements approved by the Minnesota municipal board prior to creation of the zone.

Sec. 12. [40A.122] [EMINENT DOMAIN ACTIONS.]

Subdivision 1. [APPLICABILITY.] An agency of the state, a public benefit corporation, a local government, or any other entity with the power of eminent domain under chapter 117, shall follow the procedures in this section before:

(1) acquiring land or an easement in land with a total area over 10 acres within an exclusive agricultural use zone; or

(2) advancing a grant, loan, interest subsidy, or other funds for the construction of dwellings, commercial or industrial facilities, or water or sewer facilities that could be used to serve structures in areas that are not for agricultural use, that require an acquisition of land or an easement in an exclusive agricultural zone.

Subd. 2. [NOTICE OF INTENT.] At least 60 days prior to an action described in subdivision 1, notice of intent must be filed with the environmental quality board containing information and in the manner and form required by the environmental quality board. The notice of intent must contain a report justifying the proposed action, including an evaluation of alternatives that would not affect land within an exclusive agricultural use zone.

Subd. 3. [REVIEW AND ORDER.] The environmental quality board, in consultation with affected local governments, shall review the proposed action to determine its effect on the preservation and enhancement of agricul-

ture and agricultural uses within the zone and the relationship to local and regional comprehensive plans. If the environmental quality board finds that the proposed action might have an unreasonable effect on a zone, the environmental quality board shall issue an order within the 60-day period under subdivision 2 for the party to refrain from the proposed action for an additional 60 days.

Subd. 4. [PUBLIC HEARING.] During the additional 60 days, the environmental quality board shall hold a public hearing concerning the proposed action at a place within the affected zone or easily accessible to the zone. Notice of the hearing must be published in a newspaper having a general circulation within the area of the zone. Individual written notice must be given to the local governments with jurisdiction over the zone, the agency, corporation or government proposing to take the action, the owner of land in the zone, and any public agency having the power of review or approval of the action.

Subd. 5. [JOINT REVIEW.] The review process required in this section may be conducted jointly with any other environmental impact review by the environmental quality board.

Subd. 6. [SUSPENSION OF ACTION.] The environmental quality board may suspend an eminent domain action for up to one year if it determines that the action is contrary to the purposes of this chapter and that there are feasible and prudent alternatives that may have a less negative impact on a zone.

Subd. 7. [TERMINATION OF ZONE.] Designation as an exclusive agricultural use zone and all benefits and limitations under this chapter, including the restrictive covenant for the portion of the zone taken, ends on the date the final certificate is filed with the clerk of district court under section 117.205.

Subd. 8. [ACTION BY ATTORNEY GENERAL.] The environmental quality board may request the attorney general to bring an action to enjoin an agency, corporation or government from violating the provisions of this section.

Subd. 9. [EXCEPTION.] This section does not apply to an emergency project that is immediately necessary for the protection of life and property.

Sec. 13. [40A.123] [LIMITATION ON CERTAIN PUBLIC PROJECTS.]

Subdivision 1. [PROJECTS AND ASSESSMENTS PROHIBITED; EXCEPTION.] Notwithstanding any law to the contrary, construction projects for public sanitary sewer systems, public water systems, and public drainage systems are prohibited in exclusive agricultural use zones. New connections between land or buildings in a zone and public projects are prohibited. Land in a zone may not be assessed for public projects built in the vicinity of the zone.

Subd. 2. [EXCEPTION; OWNER OPTION.] Subdivision 1 does not apply (1) to public projects necessary to serve land primarily in agricultural use; or (2) if the owner of land in an exclusive agricultural use zone elects to use and benefit from a public project.

Subd. 3. [RECAPTURE OF DEFERRED ASSESSMENT.] If assessments are not levied against property under subdivision 1, the local government shall file a certificate with the county recorder containing a legal description of the property and the amount deferred. If the property is terminated as an exclusive agricultural use zone under section 40A.11, the deferred assessments plus interest are payable within 90 days after termination of the zone. If the deferred assessment is not paid within 90 days, the county auditor shall include the deferred assessment plus a 10 percent penalty on the tax list for the current year.

Sec. 14. Minnesota Statutes 1984, section 40A.13, subdivision 1, is amended to read:

Subdivision 1. [CONSERVATION PRACTICES TO PREVENT SOIL LOSS REQUIRED.] An owner of agricultural land in an exclusive agricultural use zone shall manage the land with sound soil conservation practices that prevent excessive soil loss. Soil loss is excessive if it is greater than the soil loss tolerance for each soil type described in the United States soil conservation service field office technical guide or if the soil loss is greater than the soil loss allowed in an ordinance of the county according to the model ordinance adopted by the commissioner. The model ordinance and sections 40.19 to 40.28 and sections adopted under chapter 40 relating to soil loss apply to all land in an exclusive agricultural zone. A sound soil conservation practice prevents excessive soil loss or reduces soil loss to the most practicable extent. The county shall enforce this subdivision.

Sec. 15. [40A.151] [MINNESOTA CONSERVATION FUND.]

Subdivision 1. [ESTABLISHMENT.] The Minnesota conservation fund is established as an account in the state treasury. Money from counties under section 16 must be deposited in the state treasury and credited to the Minnesota conservation fund account.

Subd. 2. [USE OF FUND.] Money in the fund is annually appropriated to the commissioner of revenue to reimburse taxing jurisdictions as provided in section 17 and section 473H.10.

Sec. 16. [40A.152] [COUNTY CONSERVATION FEE; ACCOUNT.]

Subdivision 1. [FEE.] A county shall impose an additional fee of \$3 per transaction on the recording or registration of a mortgage subject to the tax under section 287.05 and an additional \$3 on the recording or registration of a deed subject to the tax under section 287.21. One-half of the fee must be deposited in a special conservation account to be created in the county general revenue fund and one-half must be transferred to the commissioner of revenue for deposit in the state treasury and credited to the Minnesota conservation fund.

Subd. 2. [USE OF ACCOUNT.] Money from the county conservation account shall be spent by the county to reimburse the county and taxing jurisdictions within the county for revenue lost under the conservation tax credit under section 17 or the valuation of agricultural preserves under section 473H.10. Money remaining in the account after those payments may be spent for the following purposes:

(1) agricultural land preservation and conservation planning and imple-

mentation of official controls under this chapter or chapter 473H;

(2) soil conservation activities and enforcement of soil loss ordinances;

(3) incentives for landowners who create exclusive agricultural use zones;

(4) payments to municipalities within the county for the purposes of clauses (1) to (3).

Subd. 3. [TRANSFER TO STATE FUND.] Money in the county conservation account that is not encumbered by the county within one year of deposit in the account must be transferred to the commissioner of revenue for deposit in the Minnesota conservation fund.

Sec. 17. [273.118] [CONSERVATION TAX CREDIT.]

Subdivision 1. [ELIGIBILITY; AMOUNT OF CREDIT.] Land located in an exclusive agricultural use zone created under chapter 40A is eligible for a property tax credit of \$1.50 per acre. To qualify for the tax credit in any year the owner shall file with the assessor by June 30 of that year a record of the restrictive covenant received by the owner under section 40A.10, subdivision 3. An owner who has given notice of termination of the exclusive agricultural use zone under section 40A.11, subdivision 2, is not eligible for the credit. The assessor shall indicate the amount of the property tax reduction on the property tax statement of each taxpayer receiving a credit under this section.

Subd. 2. [REIMBURSEMENT FOR LOST REVENUE.] The county may transfer money from the county conservation account created in section 16 to the county revenue fund to reimburse the fund for the cost of the property tax credit. The county auditor shall certify to the commissioner of revenue on or before June 1 of each year the amount of tax lost to the county from the property tax credit under subdivision 1 and the extent that the tax lost exceeds funds available in the county conservation account. On or before July 15 of each year, the commissioner shall reimburse the county from the Minnesota conservation fund under section 15 for the taxes lost in excess of the county account. If money in the Minnesota conservation fund is insufficient to make the reimbursement, there is annually appropriated from the general fund to the commissioner of revenue an amount sufficient to make the remaining reimbursement.

Sec. 18. Minnesota Statutes 1984, section 473H.10, subdivision 3, is amended to read:

Subd. 3. [COMPUTATION OF TAX; STATE REIMBURSEMENT.] (a) After the assessor has determined the market value of all land valued according to subdivision 2, he shall compute the assessed value of those properties by applying the appropriate classification percentages. When the county auditor computes the rate of tax pursuant to section 275.08, he shall include the assessed value of land as provided in this clause.

(b) The county auditor shall compute the tax on lands valued according to subdivision 2 and nonresidential buildings by multiplying the assessed value times the total rate of tax for all purposes as provided in clause (a).

(c) The county auditor shall then compute the maximum ad valorem property tax on lands valued according to subdivision 2 and nonresidential build-

ings by multiplying the assessed value times 105 percent of the previous year's statewide average mill rate levied on property located within townships for all purposes.

(d) The tax due and payable by the owner of preserve land valued according to subdivision 2 and nonresidential buildings will be the amount determined in clause (b) or (c), whichever is less. If the gross tax in clause (c) is less than the gross tax in clause (b), the state shall reimburse the taxing jurisdictions for the amount of difference. Residential buildings shall continue to be valued and classified according to the provisions of sections 273.11 and 273.13, as they would be in the absence of this section, and the tax on those buildings shall not be subject to the limitation contained in this clause.

The county may transfer money from the county conservation account created in section 16 to the county revenue fund to reimburse the fund for the tax lost as a result of this subdivision or to pay taxing jurisdictions within the county for the tax lost. The county auditor shall certify to the commissioner of revenue on or before June 1 the total amount of tax lost to the county and taxing jurisdictions located within his county as a result of this subdivision and the extent that the tax lost exceeds funds available in the county conservation account. Payments shall be made by the state annually on or before July 15 to each of the affected taxing jurisdictions if the county conservation account is insufficient to make the reimbursement. There is annually appropriated from the general fund in the state treasury Minnesota conservation fund under section 15 to the commissioner of revenue an amount sufficient to make the reimbursement provided in this subdivision. If money in the fund is insufficient to make the reimbursements the appropriation is from the general fund.

Sec. 19. [APPROPRIATION.]

\$_____ is appropriated from the general fund to the commissioner of agriculture for the administration and implementation of agricultural land preservation and conservation under chapter 40A.

Sec. 20. [REPEALER.]

Minnesota Statutes 1984, sections 40.19, subdivisions 3, 4, 10, 12, 14, and 15; and 40A.13, subdivisions 2, 3, 4, and 5, are repealed.

Sec. 21. [EFFECTIVE DATE.]

Section 17 is effective for taxes levied in 1987 and payable in 1988 and after. Section 18 is effective June 1, 1987."

Delete the title and insert:

"A bill for an act relating to agriculture; clarifying provisions relating to state agricultural land preservation and conservation; providing for benefits and restrictions on the use of land in exclusive agricultural use zones; creating a Minnesota conservation fund; authorizing a county conservation fee; providing for a tax credit; conforming soil loss limit standards; appropriating money; amending Minnesota Statutes 1984, sections 40A.01, subdivision 1; 40A.02, subdivisions 3, 11, and 15; 40A.04; 40A.05, subdivisions 1 and 2; 40A.06; 40A.07, subdivision 2; 40A.13, subdivision 1; and 473H.10, subdivision 3; repealing Minnesota Statutes 1984, sections 40.19, subdivisions

3, 4, 10, 12, 14, and 15; and 40A.13, subdivisions 2, 3, 4, and 5; proposing coding for new law in Minnesota Statutes, chapters 40A and 273."

And when so amended the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Amendments adopted. Report adopted.

Mr. Merriam from the Committee on Agriculture and Natural Resources, to which was referred

S.F. No. 1062: A bill for an act relating to state lands; authorizing conveyance of certain state trail lands no longer needed for trails; amending Laws 1981, chapter 190, section 3.

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

Page 1, line 13, delete "*which*" and insert "*that*" and delete "*as*"

Page 2, line 8, delete "*which*" and insert "*that*" and delete "*no longer*" and insert "*not*"

Page 2, after line 11, insert:

"Sec. 2. [REPEALER.]

Laws 1984, chapter 502, article 13, section 15, is repealed.

Sec. 3. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "repealing a prior land conveyance;"

Page 1, line 4, after "3" insert "; repealing Laws 1984, chapter 502, article 13, section 15"

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

Mr. Merriam from the Committee on Agriculture and Natural Resources, to which was referred

S.F. No. 1347: A bill for an act relating to natural resources; authorizing the commissioner of natural resources to sell certain lands in Koochinchong County.

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

Page 1, line 7, delete "KOOCHINCHING" and insert "KOOCHICHING"

Page 1, line 15, delete "*Larson*" and insert "*Larsen, the owner of the adjoining property,*"

Page 1, lines 19 and 24, delete "*Larson*" and insert "*Larsen*"

Amend the title as follows:

Page 1, line 4, delete "Koochinchin" and insert "Koochiching"

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

Mr. Merriam from the Committee on Agriculture and Natural Resources, to which was referred

S.F. No. 1353: A bill for an act relating to natural resources; authorizing the commissioner of natural resources to sell certain lands in St. Louis county.

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

Mr. Merriam from the Committee on Agriculture and Natural Resources, to which was referred

S.F. No. 846: A bill for an act relating to fish and game; providing a gross misdemeanor penalty for persons who knowingly disregard certain trespass laws; revoking hunting privileges for two years for a person convicted of trespass; reducing the interval between signs that prohibit trespass in certain areas; amending Minnesota Statutes 1984, section 100.273, subdivisions 6 and 9.

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

Mr. Solon from the Committee on Economic Development and Commerce, to which was referred

S.F. No. 756: A bill for an act relating to financial institutions; authorizing the department of administration to provide for the use of certain motor vehicles by the department of commerce; providing for the classification and disclosure of records; modifying the definition of financial institutions to include branches and detached facilities; regulating the closing of financial institutions; providing for the deposit of securities in lieu of bonds; simplifying the recording requirements of credit union certificates or bylaw amendments; providing for certain industrial loan and thrift loan disclosures; providing for the liquidation of safe deposit companies; eliminating a certain motor vehicle finance company assessment; modifying the licensing requirements of regulated lenders; regulating changes of business locations of regulated lenders; providing for the recovery of examination and investigation costs from motor vehicle sales finance companies; increasing the time price differentials on motor vehicle sales; regulating payments in advance on retail installment contracts; and providing for the notice and publication of, and hearings on, bank applications; amending Minnesota Statutes 1984, sections 16B.54, subdivision 2; 46.041, subdivision 1; 46.042; 46.07, subdivision 2, and by adding a subdivision; 46.131, subdivision 2; 47.015, subdivision 1; 47.0151, subdivision 3; 48.13; 49.05, by adding subdivisions; 52.02, subdivision 3; 53.04, by adding a subdivision; 55.095; 56.04; 56.07; 168.705; 168.72, subdivisions 1 and 2; 168.73; and 168.74; proposing coding for new law in Minnesota Statutes, chapter 47; repealing Minnesota Statutes 1984, sections 47.20, subdivisions 11 and 12; 48.19; 48.57; and 48.58.

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

Page 4, after line 23, insert:

"Sec. 6. Minnesota Statutes 1984, section 47.0152, is amended to read:

47.0152 [POWER OF COMMISSIONER.]

Whenever the commissioner is of the opinion that an emergency exists, or is impending, in the state or in a part of it, he may, by proclamation, authorize financial institutions located in the affected area to close any or all of their offices. In addition, if the commissioner is of the opinion that an emergency exists, or is impending, which affects, or may affect, a particular financial institution or a particular office of it, but not financial institutions located in the area generally, he may authorize the particular financial institution or office affected, to close or to temporarily relocate. The office closed shall remain closed until the commissioner proclaims that the emergency has ended, or until an earlier time when the officers of the financial institution determine that an office, closed because of the emergency, should reopen, and, in either event, for the further time reasonably necessary to reopen. *The provisions of section 47.101 shall be waived for a temporary location established due to an emergency.*"

Page 6, line 26, delete "banks" and insert "financial institutions"

Page 6, line 29, delete "in his or her discretion,"

Page 6, line 31, delete "banking" and insert "financial"

Page 7, after line 34, insert:

"Sec. 12. Minnesota Statutes 1984, section 52.24, subdivision 1, is amended to read:

Subdivision 1. [INSURANCE ACCOUNTS.] Every credit union under the supervision of the commissioner of commerce shall at all times maintain in effect insurance of member share and deposit accounts under the provisions of title II of the national credit union act; ~~or a legally constituted state credit union share insurance corporation.~~ A credit union which fails to meet this requirement for insurance of its share and deposit accounts shall either dissolve; or merge with another credit union which is insured under title II of the national credit union act ~~or a legally constituted share insurance corporation.~~

Sec. 13. Minnesota Statutes 1984, section 52.24, subdivision 2, is amended to read:

Subd. 2. [CERTIFICATE OF APPROVAL.] No credit union shall be granted a certificate of approval by the commissioner of commerce unless the credit union has obtained a commitment for insurance of its member share and deposit accounts under the provisions of title II of the national credit union act ~~or a legally constituted state credit union share insurance corporation.~~

Page 8, line 5, after the period, insert "*The references must be to the chapter number in the case of chapter 53 or chapter 56, or to the particular section or sections in the case of chapter 47 or chapter 334. On loans made*

under the authority of subdivision 3a and not under the authority of chapter 334."

Page 8, after line 8, insert:

"Sec. 15. Minnesota Statutes 1984, section 53.10, is amended to read:

53.10 [MANDATORY INSURANCE OR GUARANTEE OF ACCOUNTS.]

Subdivision 1. [REQUIREMENT.] Not later than July 1, 1983 1987, every industrial loan and thrift company operating under this chapter with consent or holding a certificate of authorization, which includes the right to sell and issue for investment certificates of indebtedness, savings accounts, and savings deposits, ~~other than those to be pledged as security for a loan made contemporaneously therewith,~~ shall obtain a commitment for insurance or guarantee of the certificates, accounts, or deposits by ~~or through an insurance company or guarantee fund acceptable to the commissioner of commerce.~~ The insurance or guarantee shall provide for the redemption of the investment of certificate, account, or deposit holders in the event of liquidation, insolvency or bankruptcy of the industrial loan and thrift company. The amount of insurance or guarantee benefit to each certificate, account, or deposit holder, as an individual or multiparty account, shall at all times be in full force and equal to the lesser of the industrial loan and thrift company's liability under a certificate, account, or deposit or \$100,000. For purposes of this section, an insurance company or guarantee fund includes an insurance company authorized to do business in this state, an insurance or guarantee fund organized under the laws of the United States, this state or any other state with the expressed purpose or authority to guarantee the accounts of industrial loan and thrift companies or any other person who contracts with industrial loan and thrift companies to guarantee accounts *the federal deposit insurance corporation, an agency of this state, or a federal agency established for the purpose of insuring deposits in banks or otherwise eligible to insure the savings accounts and savings deposits in industrial loan and thrift companies operating pursuant to this chapter.*

Subd. 2. The commissioner of commerce shall grant additional time or times to obtain the commitment for insurance or guarantee upon satisfactory evidence that the industrial loan and thrift company has made or is making a substantial effort to achieve the conditions precedent to issuance of the commitment. Additional time or times shall not extend later than July 1, 1985 1988.

Subd. 3. No industrial loan and thrift company shall hereafter be granted consent, or issued a certificate of authorization which includes the right to issue for investment certificates of indebtedness, savings accounts, and savings deposits, ~~other than those to be pledged as security for a loan made contemporaneously therewith,~~ unless the industrial loan and thrift company has obtained a commitment for insurance or guarantee of such certificates which meets the conditions of subdivision 1.

Subd. 4. [TRANSITIONAL REQUIREMENT; CONTINUING REQUIREMENT.] *Until the time the requirements of subdivisions 1 and 2 are fully satisfied, any existing insurance or guarantee approved by the commissioner of commerce pursuant to Laws 1980, chapter 503, section 3, must*

be maintained as a condition to continued operations. Thereafter every industrial loan and thrift company shall at all times maintain in effect insurance of its accounts by the federal deposit insurance corporation, an agency of this state or a federal agency established for the purpose of insuring deposits in banks or otherwise eligible to insure the accounts of industrial loan and thrift companies operating pursuant to this chapter. If it appears to the commissioner that an industrial loan and thrift company has failed to meet the requirements of this section, the commissioner shall issue an order pursuant to sections 46.24 to 46.33 requiring compliance or the noncompliant industrial loan and thrift company to cease and desist from accepting savings or deposit accounts and submit a plan to the commissioner for the orderly and timely divestiture of all existing savings and deposit accounts."

Page 8, after line 35, insert:

"Sec. 17. Minnesota Statutes 1984, section 334.021, is amended to read:

334.021 [CORPORATION PROHIBITED FROM INTERPOSING DEFENSE OF USURY.]

No corporation shall hereafter interpose the defense of usury in any action. The term "corporation," as used in this section, includes any cooperative corporation, cooperative association, or limited partnership ~~organized under chapter 322A~~, and further includes any association or joint stock company having any of the powers and privileges of corporations not possessed by an individual or a partnership."

Page 9, line 4, delete "13" and insert "18"

Page 9, line 6, delete "11" and insert "14"

Page 11, after line 16, insert:

"Sec. 4. Minnesota Statutes 1984, section 168.66, subdivision 5, is amended to read:

Subd. 5. "Motor vehicle" means any device propelled or drawn by any power other than muscular power, in, upon, or by which any person or property is, or may be transported or drawn upon a highway, excepting building and road construction equipment not subject to motor vehicle registration fees, snowmobiles, *three-wheel off-road vehicles, boat, snowmobile, and other utility trailers*, farm tractors, and agricultural machinery not designed primarily for highway transportation, but which may incidentally transport persons or property on a public highway, *or any other device which may not be lawfully operated upon a highway at the time of sale.*

Sec. 5. Minnesota Statutes 1984, section 168.66, subdivision 9, is amended to read:

Subd. 9. "Cash sale price" means the price at which the seller would in good faith sell to the buyer, and the buyer would in good faith buy from the seller, the motor vehicle which is the subject matter of the retail installment contract, if such sale were a sale for cash, instead of a retail installment sale. The cash sale price may include any taxes, charges for delivery, servicing, repairing or improving the motor vehicle, including accessories and their installation, and any other charges agreed upon between the parties. *The cash price may not include a documentary fee or document administration fee for*

services actually rendered to, for, or on behalf of, the retail buyer in preparing, handling, and processing documents relating to the motor vehicle and the closing of the retail sale."

Page 12, after line 14, insert:

"Sec. 7. Minnesota Statutes 1984, section 168.71, is amended to read:

168.71 [RETAIL INSTALLMENT CONTRACTS.]

(a) (1) Every retail installment contract shall be in writing, shall contain all the agreements of the parties, shall be signed by the retail buyer and seller, and a copy thereof shall be furnished to such retail buyer at the time of the execution of the contract.

(2) No provisions for confession of judgment or power of attorney therefor contained in any retail installment contract or contained in a separate agreement relating thereto, shall be valid or enforceable.

(3) The holder of a *precomputed* retail installment contract may, if the contract so provides, collect a delinquency and collection charge on each installment in arrears for a period not less than ten days in an amount not in excess of five percent of each installment or \$5, whichever is the less. In addition to such delinquency and collection charge, the retail installment contract, *whether interest-bearing or precomputed*, may provide for the payment of attorneys' fees not exceeding 15 percent of the amount due and payable under such contract where such contract is referred to an attorney not a salaried employee of the holder of the contract for collection plus the court costs.

(4) Unless written notice has been given to the retail buyer of actual or intended assignment of a retail installment contract, payment thereunder or tender thereof made by the retail buyer to the last known holder of such contract shall be binding upon all subsequent holders or assignees.

(5) Upon written request from the retail buyer, the holder of the retail installment contract shall give or forward to the retail buyer a written statement of the dates and amounts of payments and the total amount unpaid under such contract. A retail buyer shall be given a written receipt for any payment when made in cash.

(b) The retail installment contract shall contain the following items:

(1) The cash sale price of the motor vehicle which is the subject matter of the retail installment contract;

(2) The amount of the retail buyer's down payment, whether made in money or goods, or partly in money or partly in goods;

(3) The difference between items one and two;

(4) The charge, if any, included in the transaction for any insurance and other benefits, specifying the types of coverage ~~and benefits and taxes, fees and charges that actually are or will be paid to public officials or government agencies for perfecting, releasing, or satisfying a security interest;~~

(5) Principal balance, which is the sum of item three and item four;

(6) The amount of the time price differential;

(7) The time balance payable by the retail buyer to the retail seller and the number of installment payments required and the amount of each installment expressed in dollars or percentages, and date of each payment necessary finally to pay the time balance which is the sum of item five and item six.

Provided, however, that said items one to seven inclusive need not be stated in the sequence or order set forth above and that additional items may be included which serve to explain the calculations involved in determining the stated time balance to be paid by the retail buyer.

(c) Every retail seller or sales finance company, if a charge for insurance on the motor vehicle is included in a retail installment contract shall within 30 days after execution of the retail installment contract send or cause to be sent to the retail buyer a policy or policies or certificate of insurance, which insurance shall be written by a company authorized to do business in this state, clearly setting forth the amount of the premium, the kind or kinds of insurance and the scope of the coverage and all the terms, exceptions, limitations, restrictions and conditions of the contract or contracts of the insurance. The buyer of a motor vehicle under a retail installment contract shall have the privilege of purchasing such insurance from an agent or broker of his own selection and selecting an insurance company mutually acceptable to the seller and the buyer; provided, however, that the inclusion of the cost of the insurance premium in the retail installment contract when the buyer selects the agent, broker or company, shall be optional with the seller.

(d) Any sales finance company hereunder may purchase or acquire from any retail seller any retail installment contract on such terms and conditions as may be mutually agreed upon between them.

(e) An acknowledgment by the retail buyer of the delivery of any such copy or notice as required in subsection (a) of this section contained in the body of the statement or contract shall be conclusive proof of delivery in any action or proceeding by or against any assignee of a retail installment contract."

Page 12, line 22, delete "14.5" and insert "18"

Page 12, line 31, after "balance" insert "outstanding from time to time"

Page 12, line 31, after "as" insert "originally"

Page 13, line 8, strike "having"

Page 13, lines 9 to 13, strike the old language and delete the new language and insert "*Retail installment contracts may be interest-bearing or precomputed. For precomputed retail installment contracts, the time price differential may be calculated in advance on the assumption that all scheduled payments will be made when due and the effect of prepayment in full will be governed by section 168.73. To compute time for the purpose of calculating interest under this section and section 168.73, a day may be considered 1/30th of a month when calculation is made for a fraction of a calendar month. A year is 12 calendar months. A calendar month is that period from a given date in one month to the same numbered date in the following month, and if there is no same-numbered date, to the last day of the following month. When a period of time includes a whole month and a fraction of a month, the fraction of a month is considered to follow the whole month.*"

Page 14, line 10, after "a" insert "*precomputed*"

Page 14, lines 11 and 12, strike "*schedules*" and insert "*scheduled*"

Page 14, line 25, delete "4" and insert "6"

Page 14, line 26, delete "5, 6, and 7" and insert "8, 9 and 10"

Page 17, line 18, delete "*or at his or her discretion*"

Page 17, line 19, after "*hearing*" insert "*conducted pursuant to the provisions of chapter 14*"

Page 18, line 2, delete "*otherwise*" and insert "*upon other information submitted*"

Page 18, line 27, strike "or" and insert a comma

Page 18, line 28, before the period, insert "*, or when the application is made for the incorporation of a new bank in the same locality coincidental with the closing of an existing bank by the commissioner or federal authorities*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 8, after the semicolon, insert "*providing for insurance of certain accounts; clarifying the limited partnership exemption from the usury defense;*"

Page 1, line 24, after the semicolon, insert "*providing fees; providing for the relocation of failing financial institutions; exempting certain motor vehicles from installment sales provisions;*"

Page 1, line 28, after the second semicolon, insert "47.0152;"

Page 1, line 29, after the second semicolon, insert "52.24, subdivisions 1 and 2;"

Page 1, line 30, after the first semicolon, insert "53.10;" and after the fourth semicolon insert "168.66, subdivisions 5 and 9;"

Page 1, line 31, after the first semicolon, insert "168.71;" and delete the second "and"

Page 1, line 31, delete "subdivisions" and insert "subdivision" and delete "and 2"

Page 1, line 32, after the semicolon, insert "and 334.021;"

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

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

S.F. No. 172: A bill for an act relating to education; removing the age limits on the apportionment of the school endowment fund; amending Minnesota Statutes 1984, section 124.09.

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

Delete everything after the enacting clause and insert:

“ARTICLE 1

FOUNDATION AID AND TEACHER RETIREMENT CONTRIBUTIONS

Section 1. Minnesota Statutes 1984, section 122.531, subdivision 5, is amended to read:

Subd. 5. [~~REPLACEMENT FIFTH TIER LEVY AND AID.~~] For purposes of computing the ~~replacement fifth tier~~ levy limitation under section ~~275.125~~ *124A.14*, subdivision ~~6e~~ *5a*, and ~~replacement fifth tier~~ aid under section ~~424.2124~~ *124A.14*, subdivision 6, the ~~replacement entitlement fifth tier allowance~~ of a district newly created through consolidation or enlarged through the dissolution of a district and its attachment to one or more other districts, shall equal the quotient obtained by dividing:

(1) the sum of the amounts derived by performing the following multiplication for each component district:

(a) the ~~replacement entitlement fifth tier allowance~~ of the component district, times

(b) the number of actual ~~and AFDC~~ pupil units from that component district who are enrolled in the newly created or enlarged district in the year when the consolidation or dissolution and attachment becomes effective; by

(2) the total number of actual ~~and AFDC~~ pupil units in the newly created or enlarged district in the year when the consolidation or dissolution and attachment becomes effective.

Sec. 2. Minnesota Statutes 1984, section 122.531, subdivision 6, is amended to read:

Subd. 6. [~~AID DEDUCTIONS.~~] (1) For purposes of determining deductions from ~~basic foundation, grandfather, replacement, and discretionary~~ aid pursuant to section *124A.035*, subdivision 1, of a district newly created through consolidation or enlarged through the dissolution of a district and its attachment to one or more other districts, in the year when the consolidation or dissolution and attachment becomes effective, there shall be used in lieu of the ratio of the district's actual levy to its permitted levy in the applicable year, the quotient obtained by dividing:

(a) the sum of the products derived for each component district by multiplying the component district's actual levy in the applicable year pursuant to the applicable subdivision, times the ratio of the amount of the adjusted assessed valuation of the property from the component district which is included in the new district to the total amount of the adjusted assessed valuation of the new district; by

(b) the sum of the products derived for each component district by multiplying the component district's permitted levy in the applicable year pursuant to the applicable subdivision, times the ratio of the amount of the adjusted assessed valuation of the property from the component district which is included in the new district to the total amount of the adjusted assessed valuation of the new district.

Sec. 3. Minnesota Statutes 1984, section *124.17*, subdivision 1, is amended to read:

Subdivision 1. Pupil units for each resident pupil in average daily membership shall be counted as follows:

(1) *In a program approved by the commissioner, for each handicapped prekindergarten pupil, one-half pupil unit for up to 437 hours of education services in the school year as provided in the pupil's individual education plan or, for more than 437 hours of education services, a number of pupil units equal to the ratio of the number of hours of education service required in the school year by the pupil's individual education program plan, developed pursuant to the rules of the state board, to 875, but not more than one pupil unit;*

(2) In an elementary school:

(a) ~~For each handicapped pre-kindergarten pupil and each handicapped kindergarten pupil, as defined in section 120.03, enrolled in a program approved by the commissioner, a number of pupil units equal to the ratio of the number of hours of education services required in the school year by the pupil's individual education program plan, developed pursuant to the rules of the state board, to 875, but not more than one pupil unit;~~

(b) For kindergarten pupils, other than those in clause (a), enrolled in one-half day sessions throughout the school year or the equivalent thereof, one-half pupil unit; and

(c) For other elementary pupils, one pupil unit.

~~(2) (3) In secondary schools, one and four-tenths pupil units. Pupils enrolled in the seventh and eighth grades of any school shall be counted as secondary pupils.~~

Sec. 4. Minnesota Statutes 1984, section 124A.02, subdivision 7, is amended to read:

Subd. 7. [BASIC MAINTENANCE MILL RATE.] "Basic maintenance mill rate" means the mill rate applicable to the adjusted assessed valuation of a district, used in the computation of basic foundation aid for a particular school year and of the basic maintenance levy for use in that school year. ~~The basic maintenance mill rate shall be .024 for the 1982 payable 1983 levies and for foundation aid for the 1983-1984 school year. The basic maintenance mill rate shall be .024 for the 1983 payable 1984 levies and for foundation aid for the 1984-1985 school year. The basic maintenance mill rate shall be .0235 for the 1984 payable 1985 levies and for foundation aid for the 1985-1986 school year. The basic maintenance mill rate shall be .0235 for the 1985 payable 1986 levies and for foundation aid for the 1986-1987 school year. The basic maintenance mill rate shall be .0235 for the 1986 payable 1987 levies and for foundation aid for the 1987-1988 school year.~~

Sec. 5. Minnesota Statutes 1984, section 124A.02, subdivision 8, is amended to read:

Subd. 8. [EQUALIZING FACTOR.] "Equalizing factor" means a number equal to the minimum EARC valuation per actual and AFDC pupil unit which disqualifies a district from earning any basic foundation aid. The equalizing factor for each school year and for levies for use in that school year equals the ratio, rounded to the nearest dollar, of the foundation aid formula allowance for that school year to the basic maintenance mill rate for

that school year. However, the equalizing factor for discretionary and replacement aids for the 1982-1983 school year shall be \$61,565.

Sec. 6. Minnesota Statutes 1984, section 124A.02, subdivision 9, is amended to read:

Subd. 9. [FORMULA ALLOWANCE.] "Foundation aid formula allowance" or "formula allowance" means the amount of revenue per pupil unit used in the computation of foundation aid for a particular school year and in the computation of permissible levies for use in that school year. ~~The formula allowance shall be \$1,475 for the 1982 payable 1983 levies and for foundation aid for the 1983-1984 school year. The formula allowance shall be \$1,475 for the 1983 payable 1984 levies and for foundation aid for the 1984-1985 school year. The formula allowance shall be \$1,585 for the 1984 payable 1985 levies and for foundation aid for the 1985-1986 school year. The formula allowance shall be \$1,845 for the 1985 payable 1986 levies and for foundation aid for the 1986-1987 school year. The formula allowance shall be \$1,935 for the 1986 payable 1987 levies and for foundation aid for the 1987-1988 school year.~~

Sec. 7. Minnesota Statutes 1984, section 124A.06, subdivision 1, is amended to read:

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

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

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

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

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

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

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

(g) Add the results of clauses (d) and (f) sum of the sparsity allowance and the training and experience allowance.

Sec. 8. Minnesota Statutes 1984, section 124A.06, is amended by adding a subdivision to read:

Subd. 1a. [SPARSITY ALLOWANCE.] A district's sparsity allowance shall be the result of the following computation:

(a) Multiply two times the district's sparsity replacement component for the 1980-1981 school year, assuming that Minnesota Statutes 1982, section

124.2124, subdivision 1, had been effective for the 1980-1981 school year.

(b) Divide the result in clause (a) by the actual pupil units in the district for the 1980-1981 school year.

(c) Divide the formula allowance for the school year by \$1,265.

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

Sec. 9. Minnesota Statutes 1984, section 124A.06, is amended by adding a subdivision to read:

Subd. 1b. [TRAINING AND EXPERIENCE ALLOWANCE.] A district's training and experience allowance shall be the greater of zero or the result of the following computation:

(a) Subtract 1.25 from the training and experience index.

(b) Multiply the result in clause (a) by \$300 for the 1984-1985 school year, by \$400 for the 1985-1986 school year, or by \$550 for the 1986-1987 school year and each school year thereafter.

Sec. 10. Minnesota Statutes 1984, section 124A.10, subdivision 1, is amended to read:

Subdivision 1. [THIRD TIER ALLOWANCE.] "Third tier allowance" means the amount of revenue per actual pupil unit used to compute the third tier aid for a particular school year and the corresponding levy for that school year. The third tier allowance ~~is~~ shall be the sum of \$100 and the third tier retirement allowance.

Sec. 11. Minnesota Statutes 1984, section 124A.10, is amended by adding a subdivision to read:

Subd. 1a. [THIRD TIER RETIREMENT ALLOWANCE.] The third tier retirement allowance shall be \$0 for the 1984-1985 and 1985-1986 school years, \$100 for the 1986-1987 school year, and \$105 for the 1987-1988 school year.

Sec. 12. Minnesota Statutes 1984, section 124A.12, subdivision 1, is amended to read:

Subdivision 1. [FOURTH TIER ALLOWANCE.] "Fourth tier allowance" means the amount of revenue per actual pupil unit used to compute the fourth tier aid for a particular school year and the corresponding levy for that school year. The fourth tier allowance is \$100 for the 1984-1985 school year and for the 1986-1987 school year and thereafter. For the 1985-1986 school year ~~and thereafter~~, the fourth tier allowance is the result of the following computation:

(a) Subtract 1.25 from the training and experience index, and multiply the difference by \$150.

(b) Select the greater of the result in clause (a) or zero.

(c) Add \$100 to the result of clause (b).

Sec. 13. Minnesota Statutes 1984, section 124A.14, subdivision 1, is amended to read:

Subdivision 1. [TOTAL TIER ALLOWANCE DEFINITIONS.] "Total tier allowance" shall mean the sum of the cost differential tier allowance,

second tier allowance, third tier allowance, and fourth tier allowance, as defined in this chapter. *"Third tier retirement allowance"* shall have the meaning given it in section 124A.10.

Sec. 14. Minnesota Statutes 1984, section 124A.14, subdivision 3, is amended to read:

Subd. 3. [MINIMUM INCREASE.] *For the 1984-1985 and 1985-1986 school years, "minimum increase" shall mean the amount equal to \$25 times the 1984-1985 total pupil units, divided by the 1984-1985 actual pupil units. For the 1986-1987 school year and each school year thereafter, "minimum increase" shall mean the amount equal to \$50 times the 1984-1985 total pupil units divided by the 1984-1985 actual pupil units.*

Sec. 15. Minnesota Statutes 1984, section 124A.14, subdivision 4, is amended to read:

Subd. 4. [FIFTH TIER ALLOWANCE.] *"Fifth tier allowance" means the amount of revenue per actual pupil unit used to compute the fifth tier aid for a particular school year and the corresponding levy for that school year. For the 1984-1985 and 1985-1986 school years, the fifth tier allowance shall equal the previous formula amount plus the minimum increase minus the total tier allowance for the current year basic fifth tier allowance. If this result is less than zero, the fifth tier allowance shall equal zero. For the 1986-1987 school year and each school year thereafter, the fifth tier allowance shall equal the sum of the basic fifth tier allowance and the fifth tier retirement allowance.*

Sec. 16. Minnesota Statutes 1984, section 124A.14, is amended by adding a subdivision to read:

Subd. 4a. [BASIC FIFTH TIER ALLOWANCE.] *The basic fifth tier allowance shall equal the previous formula amount plus the minimum increase plus the third tier retirement allowance minus the total tier allowance for the current year. If this result is less than zero, the basic fifth tier allowance shall equal zero.*

Sec. 17. Minnesota Statutes 1984, section 124A.14, is amended by adding a subdivision to read:

Subd. 4b. [FIFTH TIER RETIREMENT ALLOWANCE.] *The fifth tier retirement allowance shall equal the greater of zero or the result of the following computation:*

(a) *Add all payments made by the department of finance in fiscal year 1985 for employer contributions to a teacher retirement fund, according to sections 354.43, subdivision 1 and 354A.12, subdivision 2, on behalf of the district's employees, excluding payments made on behalf of teachers employed at an area vocational technical institute.*

(b) *Add all payments made by the state in fiscal year 1985 for employer contributions to social security, according to sections 355.208, 355.287, and 355.46, subdivision 3 on behalf of the district's employees, excluding payments made on behalf of teachers employed at an area vocational technical institute.*

(c) *Add the result in clause (a) to the result in clause (b).*

(d) *Add the product of \$160 times the 1984-1985 total pupil units and the product of \$90 times the 1984-1985 actual pupil units.*

(e) Subtract the result in clause (d) from the result in clause (c).

(f) Divide the result in clause (e) by the 1984-1985 actual pupil units.

Sec. 18. Minnesota Statutes 1984, section 124A.16, is amended to read:

124A.16 [COMMENCEMENT OF TIER REVENUE.]

Subdivision 1. [DEFINITIONS.] "Total tier allowance," "third tier retirement allowance," "previous formula amount," ~~and~~ "minimum increase," and "fifth tier retirement allowance" shall have the meanings given them in section 124A.14.

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

(a) the minimum increase; or

(b) 25 percent of the difference between the total tier allowance and the *sum of the previous formula amount and the third tier retirement allowance* in the 1984-1985 school year, 50 percent of the difference in the 1985-1986 school year, 75 percent of the difference in the 1986-1987 school year, or 100 percent of the difference in the 1987-1988 school year and subsequent school years.

Subd. 3. [LOWEST TIER FIRST.] The revenue permitted by this section shall be accorded to the lowest numbered tiers, beginning with the cost differential tier.

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

Sec. 19. Minnesota Statutes 1984, section 298.28, subdivision 1, is amended to read:

Subdivision 1. [DISTRIBUTION FROM GENERAL FUND.] 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, herein-after 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 (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 in direct proportion to school district tax levies as follows: each district shall receive that portion of the total distribution which its certified levy for the prior year, computed pursuant to sections 124A.03, 124A.06, subdivision 3a, 124A.08, subdivision 3a, 124A.10, subdivision 3a, 124A.12, subdivision 3a, 124A.14, subdivision 5a, and 275.125, comprises of the sum of certified levies for the prior year for all qualifying districts, computed pursuant to sections 124A.03, 124A.06, subdivision 3a, 124A.08, subdivision 3a, 124A.10, subdivision 3a, 124A.12, subdivision 3a, 124A.14, subdivision 5a, and 275.125. For purposes of distributions pursuant to this part, certified levies for the prior year computed pursuant to sections 124A.03, 124A.06, subdivision 3a, 124A.08, subdivision 3a, 124A.10, subdivision 3a, 124A.12, subdivision 3a, 124A.14, subdivision 5a, and 275.125 shall not include the amount of any increased levy authorized by referendum pursuant to section 124A.03, subdivision 2.

(c) On July 15, in years prior to 1988, 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 124A.03, subdivision 2, is authorized by referendum, according to the following formula. On July 15, 1988 and subsequent years, the increase over the amount established for the prior year shall be determined according to the increase in the implicit price deflator as provided in section 298.24, subdivision 1, paragraph (a). Each district shall receive the product of:

(i) \$150 times the pupil units identified in section 124.17, subdivision 1, clauses (1) and (2), enrolled in the second previous year or the 1983-1984 school year, *whichever is greater*, less the product of ~~two~~ $1\frac{3}{4}$ mills times the district's taxable valuation in the second previous year; times

(ii) the lesser of:

(A) one, or

(B) the ratio of the amount certified pursuant to section 124A.03, subdivision 2, in the previous year, to the product of ~~two~~ $1\frac{3}{4}$ mills times the district's taxable valuation in the second previous year.

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 124A.02 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 trust fund as provided in section 298.28, subdivision 1, clause 10.

(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) 17.75 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 prior to

1988 in the same proportion as the increase in the steel mill products index as provided in section 298.24, subdivision 1 and shall be increased in 1988 and subsequent years according to the increase in the implicit price deflator 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) (a) .20 cent per taxable ton shall be paid 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.

(b) 1.5 cents per taxable ton shall be paid to the northeast Minnesota economic protection trust fund.

(9) the amounts determined under clauses (4)(a), (4)(c), (5), and (8)(b) shall be increased in 1979 and subsequent years prior to 1988 in the same proportion as the increase in the steel mill products index as provided in section 298.24, subdivision 1. Those amounts shall be increased in 1988 and subsequent years in the same proportion as the increase in the implicit price deflator 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 trust fund created in section 298.292 as follows: Two-thirds to the taconite environmental protection fund and one-third to the northeast Minnesota economic protection trust fund. The proceeds shall be placed in the respective special accounts in the general fund.

(a) 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; provided, however, that the amount distributed in 1981 to the unorganized territory number 2 of Lake County and the town of Beaver Bay based on the between-terminal trackage of Erie Mining Company will be distributed in 1982 and subsequent years to the unorganized territory number 2 of Lake County and the towns of Beaver Bay and Stony River based on the miles of track of Erie Mining Company in each taxing district.

(b) 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 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. The commissioner of revenue shall annually on or before October 10 report an estimated distribution amount to each taxing district and 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 or city in the year in which such estimate is made, and payable in the next ensuing calendar year, except that one cent per taxable ton of the amount distributed under clause (4)(c) shall not be deducted in calculating the permissible levy. In any calendar year in which a general property tax levy subject to sections 275.50 to 275.59 has been made, if the taxes distributable to any such county or city are greater than the amount estimated by the commissioner to be paid to any such county or city in such year, the excess of such distribution shall be held in a special fund by the county or city and shall not be expended until the succeeding calendar year, and shall be included in computing the permissible levies under sections 275.50 to 275.59, of such county or city payable in such year. If the amounts distributable to any such county or city after final determination by the commissioner of revenue under this section are less than the amounts by which a taxing district's levies were reduced pursuant to this section, such county or city 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 275.50 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 trust 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. 20. Minnesota Statutes 1984, section 354.092, is amended to read:

354.092 [SABBATICAL LEAVE.]

If a member is granted a sabbatical leave, he may receive allowable service credit not exceeding three years in any ten consecutive years toward a retirement annuity by paying into the fund employee contributions during the period of leave. The employee contribution shall be based upon the appropriate rate of contributions and the salary received during the year immediately preceding the leave. This payment shall be made by the end of the fiscal year following the fiscal year in which the leave of absence terminated, and shall be without interest. A member shall not accrue more than three years allowable service by reason of this section unless the allowable service credit was paid for by the member prior to July 1, 1962. A sabbatical leave for the purpose of this section shall be compensated by a minimum of one-third of the salary the member received for a comparable period during the prior fiscal year. If the employee contributions during the period of the leave are less than the contributions based on the salary received during the year immediately preceding the leave, the formula service credit of the member shall

be prorated according to section 354.05, subdivision 25, clause (3), except that if the member is paid full salary for any sabbatical leave of absence, either past or prospective, the formula service credit shall not be prorated. *For sabbatical leaves taken after June 30, 1986, the required employer contribution, including the amortization amount specified in section 354.42, subdivisions 3 and 5, shall be paid by the employing unit within 30 days after notification by the association of the amount due.*

Sec. 21. Minnesota Statutes 1984, section 354.094, subdivision 1, is amended to read:

Subdivision 1. [SERVICE CREDIT CONTRIBUTIONS.] A member granted an extended leave of absence pursuant to section 125.60 or 136.88, except as provided in subdivision 1a or 1b, may pay employee contributions and receive allowable service credit toward annuities and other benefits under this chapter, for each year of the leave provided the member and the employing board make the required employer contribution in any proportion they may agree upon, during the period of the leave which shall not exceed five years. Except as provided in subdivision 1a or 1b, the state shall not pay employer contributions into the fund for any year for which a member is on extended leave. 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 *or within 30 days after notification by the association of the amount due, whichever is later.*

Sec. 22. Minnesota Statutes 1984, section 354.43, subdivision 3, is amended to read:

Subd. 3. Each school district, state university, community college and any other employing authority of members of the fund shall be obligated for pay employer contributions *at least once each month* in accordance with the provisions of sections 354.42, subdivisions 3 and 5, and 355.46, subdivision 3, *as provided in this section.* With respect to state employees, each department and agency shall pay the amounts required by section 354.42, subdivisions 3 and 5 from the accounts and funds from which each department or agency receives its revenue, including appropriations from the general fund and from any other fund, now or hereafter existing, for the payment of salaries and in the same proportion as it pays therefrom the amounts of the salaries. The payments shall be charged as an administrative cost by these units of state government. ~~For other reporting units, that portion of the employer contributions based on salaries paid from sources other than normal school operating funds as defined in section 354.05, subdivision 27 shall be remitted to the teachers retirement association. The remittance shall be accompanied by a satisfactory certification which shows the total of all salaries paid which are subject to teachers retirement deductions. The certification shall also show the total amount of salaries paid from normal school operating funds and the total amount of salaries paid from sources other than normal school operating funds as defined in section 354.05, subdivision 27. For each individual salary included in the total of all salaries paid from sources other than normal school operating funds as defined in section 354.05, subdivision 27, the certification shall show each person's name, his salary or related portion of salary and remittance of employer contributions related to the salary for each person~~

included in the actual remittance.

Sec. 23. Minnesota Statutes 1984, section 354.53, subdivision 1, is amended to read:

Subdivision 1. Any employee given a leave of absence to enter military service and who returns to teaching service upon discharge from military service as provided in section 192.262, shall obtain credit for the period of military service but shall not receive credit for any voluntary extension of military service at the instance of the member beyond the initial period of enlistment, induction or call to active duty. The member shall obtain credit by paying into the fund an employee contribution based upon the salary of the member at the date of return from military service. The amount of this contribution shall be as follows:

Period	Basic Member	Coordinated Member
July 1, 1973	8 percent	4 percent
thru		
June 30, 1979		
July 1, 1979	8.5 percent	4.5 percent
and		
thereafter		

The contributions specified in this subdivision shall be multiplied by the number of years of military service together with interest thereon at the rate of six percent compounded annually from the time the military service was rendered to the first date of payment. The employer contribution and additional contribution provided in section 354.42 shall be paid by the ~~state~~ *employing unit* in the manner provided in section 354.43.

Sec. 24. Minnesota Statutes 1984, section 354.66, subdivision 4, is amended to read:

Subd. 4. [RETIRED CONTRIBUTIONS.] Notwithstanding any provision to the contrary in this chapter relating to the salary figure to be used for the determination of contributions or the accrual of service credit, a teacher assigned to a part-time position pursuant to this section shall continue to make employee contributions to and to accrue allowable service credit in the retirement fund during the period of part-time employment on the same basis and in the same amounts as would have been paid and accrued if the teacher had been employed on a full-time basis provided that, except as provided in subdivision 4a, prior to June 30 each year, or within 30 days after notification by the association of the amount due, whichever is later, the member and the employing board make that portion of the required employer contribution to the retirement fund, in any proportion which they may agree upon, that is based on the difference between the amount of compensation that would have been paid if the teacher had been employed on a full-time basis and the amount of compensation actually received by the teacher for the services rendered in the part-time assignment. The ~~state~~ *employing unit* shall make that portion of the required employer contributions to the retirement fund on behalf of the teacher that is based on the amount of compensation actually received by the teacher for the services rendered in the part-time assignment in the manner described in section 354.43, ~~subdivisions 1 and 5~~ *subdivision 3*. The employee and employer contributions shall be based upon the rates of

contribution prescribed by section 354.42. Full accrual of allowable service credit and employee contributions for part-time teaching service pursuant to this section and section 354A.094 shall not continue for a period longer than ten years.

Sec. 25. Minnesota Statutes 1984, section 354A.12, subdivision 2, is amended to read:

Subd. 2. [EMPLOYER CONTRIBUTIONS.] Notwithstanding any law to the contrary, levies for teachers retirement fund associations in cities of the first class, including levies for any employer social security taxes for teachers covered by the Duluth teachers retirement fund association or the Minneapolis teachers retirement fund association or the St. Paul teachers retirement fund association, are disallowed ~~and the state shall assume the total employer obligation~~.

The ~~state~~ *employing units* shall make the following employer contributions to teachers retirement fund associations:

(a) For any coordinated member of a teachers retirement fund association in a city of the first class, the ~~state~~ *employing unit* shall pay the employer social security taxes in accordance with section 355.46, subdivision 3, clause (b);

(b) For any coordinated member of one of the following teachers retirement fund associations in a city of the first class, the ~~state~~ *employing unit* shall make a contribution to the respective retirement fund association in an amount equal to the designated percentage of the salary of the coordinated member as provided below:

Duluth teachers retirement fund association	5.79 percent
Minneapolis teachers retirement fund association	4.50 percent
St. Paul teachers retirement fund association	4.50 percent

(c) For any basic member of one of the following teachers retirement fund associations in a city of the first class, the ~~state~~ *employing unit* shall make a contribution to the respective retirement fund in an amount equal to the designated percentage of the salary of the basic member as provided below:

Minneapolis teachers retirement fund association	13.35 percent
St. Paul teachers retirement fund association	12.63 percent

The ~~state~~ employer contributions shall be remitted directly to each teachers retirement fund association each month ~~in accordance with the procedures described in section 354.43, subdivisions 4 and 5~~.

Once each month the executive secretary of each teachers retirement fund association shall determine the amount of money necessary and presently needed to meet the state obligation as provided in this subdivision by applying the percentage of payroll figure to the estimated payroll amounts for the current month and shall certify the amount to the commissioner of finance. The

moneys required to meet the amounts certified by each executive secretary of a teachers retirement fund association shall be remitted directly to the applicable teachers retirement fund association from the general fund each month. If subsequent actual experience deviates from the anticipated experience upon which the amount certified was determined, the allocation to the first class city teachers retirement fund association involved next following the discovery of the deviation shall be adjusted. If the state makes an excess employer contribution to a teachers retirement fund association as the result of a false or wrongful certification, the state shall be entitled to recover the excess employer contribution by any appropriate means, including recovery from future state allocations, state aid or other funds payable to the school district in which the association is located. If an employee of that school district is responsible for the false or wrongful certification, any excess employer contribution recovered by the state shall be the obligation of the school district.

Sec. 26. Minnesota Statutes 1984, section 355.208, is amended to read:

355.208 [EMPLOYER CONTRIBUTIONS.]

Contributions required under the agreement or modification entered into pursuant to section 355.207 to be made by political subdivisions employing teachers, and payments required by section 355.49, which shall apply to political subdivisions employing teachers, shall be paid by the ~~state~~ *political subdivisions*.

Sec. 27. Minnesota Statutes 1984, section 355.209, is amended to read:

355.209 [EMPLOYEE CONTRIBUTIONS; DEDUCTION FROM WAGES.]

After the date the agreement or modification is entered into pursuant to section 355.207, there shall be paid as a deduction from wages an employee contribution in an amount equal to the tax that would be imposed by the Federal Insurance Contribution Act if such service constituted employment within the meaning of that act. Contributions so made shall be paid into the contribution fund in partial discharge of the liability of the ~~state and each~~ political subdivision in respect thereto. Failure to deduct such contribution shall not relieve the employee ~~or the state~~ or the political subdivision of liability therefor.

Sec. 28. Minnesota Statutes 1984, section 355.287, is amended to read:

355.287 [EMPLOYER CONTRIBUTIONS.]

Contributions required under the agreement or modification entered into pursuant to section 355.286 to be made by political subdivisions employing teachers, and payments required by section 355.49, which shall apply to political subdivisions employing teachers, shall be paid by the ~~state~~ *political subdivision*.

Sec. 29. Minnesota Statutes 1984, section 355.288, is amended to read:

355.288 [EMPLOYEE CONTRIBUTIONS; DEDUCTION FROM WAGES.]

After the date the agreement or modification is entered into pursuant to section 355.286, there shall be paid as a deduction from wages an employee contribution in an amount equal to the tax that would be imposed by the

Federal Insurance Contribution Act if such service constituted employment within the meaning of that act. Contributions so made shall be paid into the contribution fund in partial discharge of the liability of the state and each political subdivision in respect thereto. Failure to deduct such contribution shall not relieve the employee ~~of the state~~ or the political subdivision of liability therefor.

Sec. 30. Minnesota Statutes 1984, section 355.46, subdivision 3, is amended to read:

Subd. 3. [SOCIAL SECURITY CONTRIBUTIONS.] The employer taxes due with respect to employment by educational employees who have made their selection pursuant to section 218(d) (6) (C) of the Social Security Act, shall be paid in the following manner:

(a) ~~Contributions required for retroactive coverage shall be made in the manner provided in subdivision 2.~~

~~(b) Contributions required to be made for current service by political subdivisions employing educational employees and payments required by section 355.49 shall be paid by the state political subdivision. The state's obligation for services performed subsequent to the date of the agreement or modification shall be paid by the commissioner of employee relations at such times and in such amounts as may be determined by the state agency to be necessary state shall make payments for services rendered prior to July 1, 1986.~~

~~(c) (b) Contributions required to be made with respect to educational employees of state departments and institutions and payments required by section 355.49 shall be paid by the departments and institutions in accordance with the provisions of sections 355.49 and 355.50.~~

Sec. 31. [STUDY OF COST DIFFERENTIAL REVENUE.]

The department of education shall study the amount of revenue available to school districts from the various provisions of the cost differential tier of foundation aid. The study shall include an analysis of whether the training and experience allowance and the sparsity allowance adequately meet the revenue needs for salary obligations for teachers on which the training and experience allowance is computed. The study shall also include a comparison of the revenue that would be provided by the parity allowance provided for in S. F. No. 1290 introduced in the 1985 legislative session or similar provisions. The department shall report its findings and recommendations to the education committees of the legislature by January 15, 1986.

Sec. 32. [JORDAN PUPIL UNIT LOSS; ADDITIONAL FOUNDATION AID.]

Subdivision 1. [DETERMINING PUPIL UNIT LOSS.] For independent school district No. 717, Jordan, the commissioner of education shall estimate the loss in pupil units for the 1984-1985 school year resulting from pupils leaving the district because of the Minnesota sexual abuse reporting law, legal investigations regarding sexual abuse, and related factors.

Subd. 2. [1985-1986 ADJUSTMENT.] In the 1985-1986 school year, the commissioner shall increase the district's foundation aid entitlement by an amount equal to the loss in pupil units, according to subdivision 1, times the sum of the formula allowance and the district's total tier allowance for the year.

Subd. 3. [1986-1987 ADJUSTMENT.] In the 1986-1987 school year, the commissioner shall increase the district's foundation aid entitlement by an amount equal to one-half of the loss in pupil units, according to subdivision 1, times the sum of the formula allowance and the district's total tier allowance for the year.

Sec. 33. [ISOLATED SCHOOL AID.]

In the 1984-1985 and 1985-1986 school years, a district having more than 2,500 square miles in area and operating six or more secondary schools shall be entitled to additional foundation aid. The additional aid shall equal \$50 times the actual pupil units in that school year.

Sec. 34. [STATE PAYMENT OF EMPLOYER RETIREMENT CONTRIBUTIONS.]

Notwithstanding any law to the contrary, the state shall pay the employer contributions to the teacher retirement fund after June 30, 1986, for the circumstances listed in this section. Payments shall be made according to Minnesota Statutes 1984, section 354.43, subdivision 1. The state shall pay employer contributions:

(1) for salaries paid to other than state employees for services rendered prior to July 1, 1986;

(2) for leaves of absence taken prior to July 1, 1986, and which are eligible for state payment of the employer contribution; and

(3) for eligible shortages in contributions for services rendered prior to July 1, 1986, which are eligible for state payment of the employer contribution.

Sec. 35. [INSTRUCTION TO REVISOR.]

The revisor of statutes is requested to change the headnote for section 355.46 to read "[SOCIAL SECURITY CONTRIBUTIONS]."

Sec. 36. [APPROPRIATION FOR FOUNDATION AID.]

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:

\$689,583,700 _____ 1986,

\$966,971,500 _____ 1987.

The appropriation for 1986 includes \$81,869,500 for aid for fiscal year 1985 payable in fiscal year 1986, and \$607,714,200 for aid for fiscal year 1986 payable in fiscal year 1986.

The appropriation for 1987 includes \$105,132,200 for aid for fiscal year 1986 payable in fiscal year 1987, and \$861,839,300 for aid for fiscal year 1987 payable in fiscal year 1987.

Subd. 3. [CANCELLATION.] Except as provided in section 124.14, subdivision 7, none of the amounts appropriated in this section shall be expended for a purpose other than the purpose indicated.

Sec. 37. [APPROPRIATIONS FOR TEACHER RETIREMENT.]

The sum of \$214,725,900 is appropriated from the general fund to the commissioner of finance for payment of the state's obligations prescribed in

Minnesota Statutes, sections 354.43; 354.55, subdivision 5; 354A.12, subdivision 2; 355.46; and 355.49. The sum is available until June 30, 1987.

Sec. 38. [REPEALER.]

Subdivision 1. Minnesota Statutes 1984, sections 122.531, subdivision 3a; 124A.02, subdivisions 4a, 17, and 18; 126.60, subdivision 4; and 126.64, subdivision 1, are repealed.

Subd. 2. Minnesota Statutes 1984, sections 354.43, subdivisions 4 and 5; 354.66, subdivision 4a; 354A.12, subdivision 3; 355.46, subdivisions 1, 2, and 5; and 355.47, are repealed on July 1, 1986.

Sec. 39. [EFFECTIVE DATE.]

Section 3 is effective for the 1986-1987 school year and thereafter. Section 34 is effective July 1, 1986. Sections 20 to 30 are effective July 1, 1985, for covered employees of area vocational technical institutes, and July 1, 1986, for all other covered employees of school districts.

ARTICLE 2

TRANSPORTATION

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

Subdivision 1. [LIMITATIONS.] ~~No~~ *Except as provided in this subdivision and section 6 of article 7, a school district shall may not permanently transfer money from (1) an operating fund to a nonoperating fund except as provided in this subdivision; (2) a nonoperating fund to another nonoperating fund; or (3) a nonoperating fund to an operating fund. 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 operation of a district-owned bus fleet or a substantial portion of a fleet, permanent transfers may be made from the fund balance account entitled "pupil transportation fund appropriated for bus purchases" to the capital expenditure fund, with the approval of the commissioner. The levy authorized pursuant to section 275.125, subdivision 11a, shall be reduced by an amount equal to the amount transferred. Any school district may transfer any amount from the unappropriated fund balance account in its transportation fund to any other operating fund or to the appropriated fund balance account for bus purchases in its transportation fund.*

Sec. 2. Minnesota Statutes 1984, section 123.39, is amended by adding a subdivision to read:

Subd. 8d. School districts may provide bus transportation along regular school bus routes when space is available for participants in early childhood family education programs if these services do not result in an increase in the district's expenditures for transportation. The costs allocated to these services, as determined by generally accepted accounting principles, shall be considered part of the authorized cost for regular transportation for the purposes of section 124.225.

Sec. 3. Minnesota Statutes 1984, section 124.223, is amended to read:

124.223 [TRANSPORTATION AID AUTHORIZATION.]

School transportation and related services for which state transportation aid

is authorized are:

(1) [TO AND FROM SCHOOL; BETWEEN SCHOOLS.] Transportation or board of resident elementary pupils who reside one mile or more from the public schools which they could attend; transportation or board of resident secondary pupils, *excluding pupils enrolled in a nonresident district under section 1 of article 5*, who reside two miles or more from the public schools which they could attend; *transportation of nonresident pupils enrolled in the district under section 1 of article 5, from the border of the district of attendance to the school actually attended*; transportation to, from, or between the schools the resident pupils attend pursuant to a program approved by the commissioner of education; transportation of resident elementary pupils who reside one mile or more from a nonpublic school actually attended; transportation of resident secondary pupils who reside two miles or more from a nonpublic school actually attended; but with respect to transportation of pupils to nonpublic schools actually attended, only to the extent permitted by sections 123.76 to 123.79;

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

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

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

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

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

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

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

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

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

Sec. 4. Minnesota Statutes 1984, section 124.225, subdivision 1, is amended to read:

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

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

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

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

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

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

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

(c) "Adjusted authorized predicted cost per FTE" means the authorized cost predicted by a multiple regression formula determined by the department of education, and adjusted pursuant to subdivision 7a.

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

(e) *For the 1984-1985 and 1985-1986 school years*, "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 *eligible*

for aid and levy under sections 124A.03 and 124A.033. For purposes of this section, transportation categories are as follows:

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

(2) During-day transportation is transportation services between schools provided under section 124.223, clause (1); and transportation services provided under section 124.223, clauses (3) and (9); and transportation services provided under section 124.223, clause (6); excluding transportation provided for pupils attending shared time special education classes;

(3) Handicapped transportation is transportation services for pupils attending shared time special education classes provided under section 124.223, clause (6); and transportation services provided under section 124.223, clause (4); excluding board and lodging and excluding transportation to and from board and lodging facilities;

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

(5) To and from board and lodging facility transportation is transportation services to and from board and lodging facilities provided under section 124.223, clauses (4) and (7);

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

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

For the 1986-1987 school year and thereafter, "transportation category" means a category of transportation service provided to pupils. For purposes of this section, transportation categories are as follows:

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

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

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

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

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

subdivision 9.

(i) "Percent excess handicapped FTE's transported" means the result of the following computation for the current year:

one, minus the product of

(1) the ratio of the number of FTE pupils transported in the handicapped category in the state to the number of FTE pupils transported in the handicapped category in the district; times

(2) the ratio of the number of FTE pupils transported in the regular category in the district to the number of FTE pupils transported in the regular category in the state.

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

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

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

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

Sec. 5. Minnesota Statutes 1984, section 124.225, subdivision 3, is amended to read:

Subd. 3. [FORMULA.] For each school year, the state shall pay to each school district for all pupil transportation and related services for which the district is authorized by law to receive state aid an amount determined according to this section. The department of education shall conduct multiple regression analysis using the terms specified in subdivision 4a for the 1982-1983 and 1983-1984 school years, and using the terms specified in subdivision 4b for the 1984-1985 school year and each school year thereafter to predict the base cost for each district. Each year a formula shall be derived based upon the regression analysis, but excluding the factor described in subdivision 4a, clause (9), in the formula for the 1983-1984 school year. Each year the formula and shall be used to determine a predicted base cost for each district. The amount determined for each district shall be adjusted according to the provisions of subdivisions 7a and 7b.

Sec. 6. Minnesota Statutes 1984, section 124.225, subdivision 4b, is amended to read:

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

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

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

(3) The logarithm of the percentage of all FTE's transported in the regular

category using buses that are not owned by the district.

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

Subd. 7a. [BASE YEAR SOFTENING FORMULA.] (1) For fiscal year 1983, each district's predicted base cost determined according to subdivision 3 shall be adjusted as provided in this clause to determine adjusted authorized predicted cost per FTE for the base school year.

(a) If the predicted base cost exceeds the base cost, the predicted base cost shall be decreased by 50 percent of the first \$40 of difference between the base cost and the predicted base cost; 70 percent of the next \$40 of difference; and 90 percent of any difference which exceeds \$80, to determine the adjusted authorized predicted cost per FTE.

(b) If the predicted base cost is less than the base cost, the predicted base cost shall be increased by 50 percent of the first \$40 of difference between the base cost and the predicted base cost; 70 percent of the next \$40 of difference; and 90 percent of any difference which exceeds \$80, to determine the adjusted authorized predicted cost per FTE.

(2) For fiscal year 1984 and each year thereafter, Each district's predicted base cost determined for each school year according to subdivision 3 shall be adjusted as provided in this clause to determine the district's adjusted authorized predicted cost per FTE for that year.

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

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

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

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

Subd. 7b. [INFLATION FACTORS.] The adjusted authorized predicted cost per FTE determined for a district under subdivision 7a for the base year shall be increased by 22 percent to determine the district's aid entitlement per FTE for the 1982-1983 school year, by 11.7 percent to determine the district's aid entitlement per FTE for the 1983-1984 school year, and by 10.3 percent to determine the district's aid entitlement per FTE for the 1984-1985 school year, by 9.4 percent to determine the district's aid entitlement per FTE for the 1985-1986 school year, and by 8.3 percent to determine the district's aid entitlement per FTE for the 1986-1987 school year.

Sec. 9. Minnesota Statutes 1984, section 124.225, subdivision 8a, is amended to read:

Subd. 8a. [AID.] For the 1982-1983 and 1983-1984 school years, a district's transportation aid shall be equal to the sum of its basic transportation aid pursuant to subdivision 8b, its excess handicapped transportation aid pursuant to subdivision 8c, its handicapped board and lodging aid pursuant to subdivision 8d, its to and from board and lodging aid pursuant to subdivision 8e, its nonpublic support services transportation aid pursuant to subdivision 8f, its during-day transportation aid pursuant to subdivision 8g, and its closed-school transportation aid pursuant to subdivision 8h, minus the amount raised by two mills times the adjusted assessed valuation which is used to compute the transportation levy limitation for the levy attributable to that school year. For the 1983-1984 school year transportation aid for a district which contracted for pupil transportation services in the 1981-1982 school year shall be reduced by an amount equal to \$18 times the number of FTE pupils transported on contracted school buses in the base year in the regular transportation category. A district may levy less than the amount raised by two mills. Transportation aid shall be computed as if the district had levied the amount raised by two mills. Aid for the 1982-1983 and 1983-1984 school years shall also be reduced by the following amount: the product of

(a) the number of nonhandicapped secondary pupils transported in the base year who live between one and two miles from the public school which they could attend or the nonpublic school actually attended; times

(b) 1.5, divided by the average distance to school for all FTE's transported in the district in the regular transportation category in the base year; times

(c) the district's aid entitlement per FTE determined according to subdivision 7b; times the ratio of average daily membership used in subdivision 8b.

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

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

Sec. 10. Minnesota Statutes 1984, section 124.225, subdivision 8b, is amended to read:

Subd. 8b. [BASIC AID COMPUTATION.] For the 1982-1983 and 1983-1984 school years, a district's basic transportation aid pursuant to this section for the school year shall equal the district's aid entitlement per FTE deter-

mined according to subdivision 7b times the total number of authorized weighted FTE's transported in the regular and handicapped transportation categories in the district in the base year times the ratio of average daily membership in the district in the current year to the average daily membership in the district in the base year.

For the 1984-1985 school year and thereafter, A district's basic transportation aid pursuant to this section for each school year shall equal the district's aid entitlement per FTE determined according to subdivision 7b, times the total number of authorized FTE's transported in the regular category in the district in the current school year.

Sec. 11. Minnesota Statutes 1984, section 124.225, subdivision 10, is amended to read:

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

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

(2) for each fiscal year years 1983 and 1984, an amount equal to two mills times the adjusted assessed valuation which is used to compute the levy limitation for the levy attributable to that year, or for fiscal year 1985 and thereafter 1.75 mills times the adjusted assessed valuation of the district for the preceding year. Any school district may transfer any amount from the unappropriated fund balance account in its transportation fund to any other operating fund or to the appropriated fund balance account for bus purchases in its transportation fund.

Sec. 12. Minnesota Statutes 1984, section 275.125, subdivision 5b, is amended to read:

Subd. 5b. [TRANSPORTATION LEVY OFF-FORMULA ADJUSTMENT.] In fiscal years 1983 and 1984 if the transportation levy in a district attributable to each fiscal year of two mills times the adjusted assessed valuation of the district exceeds the transportation aid computation under section 124.225, subdivisions 8b, 8c, 8d, 8e, 8f, 8g, and 8h, the district's transportation levy limitation shall be adjusted as provided in this subdivision. In the year following each of those fiscal years, the district's transportation levy shall be reduced by an amount equal to the difference between (1) two mills

times the adjusted assessed valuation of the district, and (2) the sum of the district's transportation aid computation pursuant to section 124.225, subdivisions 8b, 8c, 8d, 8e, 8f, 8g, and 8h, less the amount of any aid reduction due to an insufficient appropriation as provided in section 124.225, subdivision 8a.

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

For the levies certified in 1983 and 1984, the following additional amount shall be subtracted:

the product of

(a) the number of nonhandicapped secondary pupils transported in the base year who live between one and two miles from the public school which they could attend or the nonpublic school actually attended, times

(b) 1.5, divided by the average distance to school for all FTE's transported in the district in the regular transportation category in the base year, times

(c) the district's aid entitlement per FTE determined according to section 124.225, subdivision 7b, times the ratio of average daily membership in the district in the current year to average daily membership in the district in the base year.

Sec. 13. Minnesota Statutes 1984, section 275.125, subdivision 5c, is amended to read:

Subd. 5c. [NONREGULAR TRANSPORTATION LEVY.] A school district may also make a levy for unreimbursed nonregular transportation costs pursuant to this subdivision. The amount of the levy shall not exceed the product of:

(a) the district's unreimbursed nonregular transportation revenue determined pursuant to section 124.225, subdivision 8j, clause (a), times

(b) the lesser of

(i) one, or

(ii) the ratio of the district's adjusted assessed valuation for the preceding year per total pupil unit in the school year to which the levy is attributable, to 90 percent of the equalizing factor for the school year to which the levy is attributable.

Sec. 14. Minnesota Statutes 1984, section 275.125, subdivision 5d, is amended to read:

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

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

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

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

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

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

Sec. 15. [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. [TRANSPORTATION AID.] For transportation aid there is appropriated:

\$89,472,300____1986,

\$96,436,100____1987.

The appropriation for 1986 includes \$12,284,400 for aid for fiscal year 1985 payable in fiscal year 1986 and \$77,187,900 for fiscal year 1986 payable in fiscal year 1986.

The appropriation for 1987 includes \$13,621,400 for aid for fiscal year 1986 payable in fiscal year 1987 and \$82,814,700 for fiscal year 1987 payable in fiscal year 1987.

The appropriations are based on aid entitlements of \$90,809,300 for fiscal year 1986 and \$97,429,100 for fiscal year 1987.

Subd. 3. [PRORATION.] Except as provided in section 124.14, subdivision 7, 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 plus the amount of any transfers made according to section 124.14, subdivision 7, is insufficient, the aid for that year shall be prorated among all qualifying districts in the manner prescribed in Minnesota Statutes, section 124.225, subdivision 8a.

Sec. 16. [REPEALER.]

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

ARTICLE 3

SPECIAL EDUCATION

Section 1. Minnesota Statutes 1984, section 120.03, subdivision 1, is amended to read:

Subdivision 1. Every child who is ~~deaf, hard of hearing, blind, partially seeing, crippled or who has defective~~ *has a hearing impairment, visual handicap, speech or who is otherwise physically impaired in body or limb so that he or language impairment, physical handicap, other health impairment, mental handicap, emotional/behaviorial disorder, specific learning disability, or deafblind handicap and needs special instruction and services, but who is educable,* as determined by the standards of the state board, is a handicapped child.

Sec. 2. Minnesota Statutes 1984, section 120.03, is amended by adding a subdivision to read:

Subd. 6. Every child under the age of four who is developmentally delayed for whom a primary disability cannot be determined, and for whom the need for special instruction and services for up to one year is imperative, is a handicapped child.

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

Subdivision 1. [SPECIAL INSTRUCTION FOR HANDICAPPED CHILDREN OF SCHOOL AGE.] Every district shall provide special instruction and services, either within the district or in another district, for handicapped children of school age who are residents of the district and who are handicapped as set forth in section 120.03. School age means ~~the ages of four years birth~~ to 21 years for children who are handicapped as defined in section 120.03 and shall not extend beyond secondary school or its equivalent. For purposes of this subdivision, the age of a handicapped child shall be ~~his~~ the age as of September 1 of the calendar year in which the school year for which ~~he~~ the child seeks special instruction and services commences. ~~Every district may provide special instruction and services for handicapped children who have not attained school age. Local health, education, and social service agencies shall refer children under age five who are suspected of needing special instruction and services to the school district. A school district is encouraged to contract with a developmental achievement center when the center is cost efficient for the district and when the center provides continuity of special instruction and services for handicapped children under the age of five and their families. Districts with less than the minimum number of eligible handicapped children as determined by the state board shall cooperate with other districts to maintain a full sequence range of programs for education, training and services for handicapped children as defined in section 120.03. This subdivision does not require a child under seven or over 16 years of age to attend school.~~

Sec. 4. Minnesota Statutes 1984, section 120.17, subdivision 2, is

amended to read:

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

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

(b) ~~The~~ establishment of special classes;

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

(d) ~~Instruction and services~~ in other districts;

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

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

(g) ~~Instruction and services~~ in other states;

(h) ~~Contract~~ by contracting with public, private or voluntary agencies;

(i) for children under age five and their families, programs and services established through collaborative efforts with other agencies or within the district; and

(j) any other method approved by the commissioner.

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

Sec. 5. Minnesota Statutes 1984, section 120.17, subdivision 3, is amended to read:

Subd. 3. [RULES OF THE STATE BOARD.] The state board shall promulgate rules relative to qualifications of essential personnel, courses of study ~~or training~~, methods of instruction ~~and training~~, pupil eligibility, size of classes, rooms, *health standards*, equipment, supervision, parent consultation, and any other rules ~~and standards~~ it deems necessary, for instruction of handicapped children. These rules shall provide standards and procedures appropriate for the implementation of and within the limitations of subdivisions 3a and 3b. These rules shall also provide standards for the discipline, control, management and protection of handicapped children. *The state board, in consultation with the departments of health and human services, may adopt emergency rules and shall adopt permanent rules for instruction and services for children under age five and their families. A developmental achievement center contracting with a school district to provide special instruction and services is eligible for variance from rules relating to personnel licensure. The licensure variance for a developmental achievement center shall be granted according to the same procedures and criteria used for granting a variance to a school district.* The state board shall, according to section 14.05, subdivision 4, notify a district applying for a variance from the rules within 45 calendar days of receiving the request whether the request for the variance has been granted or denied. If a request is denied, the board shall

specify the program standards used to evaluate the request and the reasons for denying the request.

Sec. 6. Minnesota Statutes 1984, section 120.17, subdivision 3a, is amended to read:

Subd. 3a. [SCHOOL DISTRICT OBLIGATIONS.] Every district shall ensure that:

(a) All handicapped children are provided the special instruction and services which are appropriate to their needs;

(b) *Handicapped children under age five and their families are provided special instruction and services appropriate to the child's level of functioning and needs;*

(c) Handicapped children and their parents or guardians are guaranteed procedural safeguards and the right to participate in decisions involving identification, assessment and educational placement of handicapped children;

~~(c)~~ (d) To the maximum extent appropriate, handicapped children, including those in public or private institutions or other care facilities, are educated with children who are not handicapped, and that special classes, separate schooling, or other removal of handicapped children from the regular educational environment occurs only when and to the extent that the nature or severity of the handicap is such that education in regular classes with the use of supplementary services cannot be achieved satisfactorily;

~~(d)~~ (e) In accordance with recognized professional standards, testing and evaluation materials and procedures utilized for the purposes of classification and placement of handicapped children are selected and administered so as not to be racially or culturally discriminatory; and

~~(e)~~ (f) The rights of the child are protected when the parents or guardians are not known or not available, or the child is a ward of the state.

Sec. 7. Minnesota Statutes 1984, section 120.17, is amended by adding a subdivision to read:

Subd. 12. [INTERAGENCY EARLY LEARNING COMMITTEE.] A district, group of districts, or special education cooperative shall establish an interagency early learning committee for handicapped children under age five and their families: Members of the committee shall be representatives of local and regional health, education, and county human service agencies; developmental achievement centers; current service providers; parents of young handicapped children; and other private or public agencies as appropriate. The committee shall elect a chair from among its members and shall meet regularly. The committee shall perform the following ongoing duties:

(1) identify current services and funding being provided within the community for handicapped children under the age of five and their families;

(2) establish and evaluate the identification, referral, and community learning systems to recommend, where necessary, alterations and improvements;

(3) facilitate the development of interagency individual education plans

when necessary to appropriately serve handicapped children under the age of five and their families;

(4) review and comment on the early learning section of the total special education system for the district; and

(5) review and comment on the funding sources that currently exist for the services being provided to handicapped children under the age of five and their families in the area.

Sec. 8. Minnesota Statutes 1984, section 120.17, is amended by adding a subdivision to read:

Subd. 13. [DISTRICT PLAN FOR CHILDREN UNDER AGE FIVE.] Every district's total special education services plan shall include a plan for the delivery of special instruction and services to handicapped children under age five in accordance with applicable rules of the state board. This plan shall be developed only after receiving the report and recommendations of the interagency early learning committee, as specified in subdivision 12. The district's plan shall document the findings and recommendations of the committee. The plan shall include procedures for:

(1) processing of all referrals for special instruction and services for handicapped children under the age of five;

(2) assurance that formal and informal assessments are given by appropriate personnel trained in the area of the suspected handicap;

(3) assurance that special instruction and services are available to all eligible handicapped children under age five and their families; and

(4) assurance that, where county funding has existed in the past for handicapped children under the age of five and their families, a county and school district collaborative funding program will be considered.

Sec. 9. Minnesota Statutes 1984, section 120.17, is amended by adding a subdivision to read:

Subd. 14. [MAINTENANCE OF EFFORT.] A local or regional health or human services agency or county board providing services to handicapped children under age five and their families through a developmental achievement center or other delivery system shall not decrease the level of services or the dollar amount provided for the services below the level of services or the dollar amount provided by it in fiscal year 1985 for the 1985-1986 school year. Beginning with the 1986-1987 school year a local or regional health or human services agency or county board shall not decrease the level of services or the dollar amount provided for those services below the level of services or the dollar amount provided by it in fiscal year 1985 unless the county and school district have entered into an agreement for funding services to handicapped children under the age of five and their families and a copy of the agreement has been filed with the departments of education, health, and human services. This prohibition applies to all funding levels regardless of the source.

For the 1985-1986 school year the departments of education, health, and human services shall not reduce the level of funding for services for handicapped children under age five and their families below the level of funding

provided in fiscal year 1985.

This subdivision applies only to services that are special instruction and services, within the meaning of this section, and that reasonably would be the responsibility of a school district.

Sec. 10. [120.183] [INTERAGENCY OFFICE ON TRANSITION SERVICES.]

Subdivision 1. [ESTABLISHMENT.] The commissioner of education shall establish an interagency office on transition services to:

(1) gather and coordinate data on transition services for secondary age handicapped pupils;

(2) provide information, consultation, and technical assistance to state and local agencies involved in the delivery of services to handicapped pupils in transition from secondary school programs to employment and post-secondary training programs;

(3) assist agencies in establishing local, interagency agreements to assure the necessary services for efficient and appropriate transition from school to work or post-secondary training programs; and

(4) assist regions and local areas in planning interagency inservice training to develop and improve transition services.

Sec. 11. Minnesota Statutes 1984, section 124.32, subdivision 1b, is amended to read:

Subd. 1b. ~~[1983-1984 TEACHERS SALARIES.] Beginning in the 1983-1984 school year and~~ Each year thereafter, the state shall pay to any district for the employment in its educational program for handicapped children 70 percent of the salary ~~of not to exceed \$18,500 for each full-time person employed as essential personnel for the normal regular school year for each full time person employed,~~ or a 70 percent of the salary or a pro rata amount of \$18,500 for a each part time person or a person employed for a limited time, whether the essential personnel are employed by a district alone or jointly with another district.

Sec. 12. Minnesota Statutes 1984, section 124.32, subdivision 1d, is amended to read:

Subd. 1d. [CONTRACT SERVICES.] (1) ~~Except for the 1982-1983 school year,~~ For special instruction ~~or training~~ and services provided ~~for during the regular school year~~ to any pupil pursuant to section 120.17, subdivision 2, clause (h), by contract with public, private or voluntary agencies other than ~~Minnesota~~ school districts, the state shall pay each district 60 percent of the difference between the amount of the contract and the foundation aid formula allowance of the district for that pupil or a pro rata portion of the foundation aid formula allowance for pupils who receive services by contract on less than a full time basis.

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

Sec. 13. Minnesota Statutes 1984, section 124.32, subdivision 2, is amended to read:

Subd. 2. [SUPPLY AND EQUIPMENT AID.] ~~Except for the 1982-1983 school year,~~ The state shall pay each district for supplies and equipment purchased or rented for use in the instruction of handicapped children an amount equal to one-half of the sum actually expended by the district but not to exceed an average of \$50 in any one school year for each handicapped child receiving instruction.

Sec. 14. Minnesota Statutes 1984, section 124.32, is amended by adding a subdivision to read:

Subd. 2b. [TRAVEL AID.] The state shall pay each district one-half of the sum actually expended by a district for necessary travel of essential personnel providing home-based services to handicapped children under age five and their families.

Sec. 15. Minnesota Statutes 1984, section 124.32, subdivision 5, is amended to read:

Subd. 5. [RESIDENTIAL AID.] When a handicapped child is placed in a residential facility approved by the commissioner and established primarily to serve handicapped children and when the child's educational program is approved by the commissioner, the state shall pay aid to the resident district under the provisions of this subdivision. ~~Except for the 1981-1982 regular school year,~~ The aid shall be an amount not to exceed 60 percent of the difference between the instructional costs charged to the resident district and the foundation aid formula allowance, for each handicapped child placed in a residential facility. ~~Except for 1982 summer school programs,~~ The aid for summer school programs for each handicapped child placed in a residential facility shall be an amount not to exceed 60 percent of the difference between the instructional costs charged to the resident district and the summer school revenue allowance in the resident district attributable to that child. ~~Aid for these programs shall be paid on a reimbursement basis by October 31 following completion of the program.~~ No aid shall be paid pursuant to this subdivision for tuition charged a resident district pursuant to section 120.17, subdivision 7a, for a child placed at the Minnesota school for the deaf or the Minnesota braille and sight-saving school.

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

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

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

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

Sec. 16. Minnesota Statutes 1984 section 124.32, subdivision 7, is amended to read:

Subd. 7. [PROGRAM AND AID APPROVAL.] Before June 1 of each year, each district providing special instruction and services to handicapped

children shall submit to the commissioner an application for approval of these programs and their budgets for the next school year. The application shall include an enumeration of the costs proposed as eligible for state aid pursuant to this section and of the estimated number and grade level of handicapped children in the district who will receive special instruction and services during the next school year. The application shall also include any other information deemed necessary by the commissioner for the calculation of state aid and for the evaluation of the necessity of the program, the necessity of the personnel to be employed in the program, the amount which the program will receive from grants from federal funds, or special grants from other state sources, and the program's compliance with the rules and standards of the state board. The commissioner shall review each application to determine whether the program and the personnel to be employed in the program are actually necessary and essential to meet the district's obligation to provide special instruction and services to handicapped children pursuant to section 120.17. The commissioner shall not approve aid pursuant to this section for any program or for the salary of any personnel ~~he determines~~ *determined* to be unnecessary or unessential on the basis of this review. The commissioner may also withhold all or any portion of the aid for programs which receive grants from federal funds, or special grants from other state sources. By August 31, ~~when the first aid payment is made,~~ the commissioner shall approve, disapprove or modify each application, and notify each applying district of the action and of the estimated amount of aid for the programs. The commissioner shall provide procedures for districts to submit additional applications for program and budget approval during the school year, for programs needed to meet any substantial changes in the needs of handicapped children in the district. Notwithstanding the provisions of section 124.15, the commissioner may modify or withdraw the program or aid approval and withhold aid pursuant to this section without proceeding according to section 124.15 at any time the commissioner determines that the program does not comply with rules of the state board or that any facts concerning the program or its budget differ from the facts in the district's approved application.

Sec. 17. Minnesota Statutes 1984, section 124.32, subdivision 10, is amended to read:

Subd. 10. [SUMMER SCHOOL.] The state shall pay aid for summer school programs for handicapped children on the basis of the sections of ~~Minnesota Statutes~~ providing aid for handicapped children for the preceding school year. By March 15 of each year, districts shall submit separate applications for program and budget approval for summer school programs. The review of these applications shall be as provided in subdivision 7. By May 1 of each year, the commissioner shall approve, disapprove or modify the applications and notify the districts of the action and of the estimated amount of aid for the summer school programs. ~~Aid for these programs shall be paid by November 15 after the summer when the programs are conducted.~~

Sec. 18. Minnesota Statutes 1984, section 124.574, subdivision 2b, is amended to read:

Subd. 2b. [SALARIES.] ~~For the 1983-1984 school year and~~ Each year ~~thereafter,~~ the state shall pay to any district or cooperative center 70 percent of the ~~salaries paid to salary not to exceed \$18,500 for each full-time person~~

employed as essential licensed personnel in that school year or 70 percent of the salary or a pro rata amount of \$18,500 for a part-time person or a person employed for a limited time for services rendered in that district or center's secondary vocational education programs for handicapped children.

Sec. 19. [EVALUATION OF AMERICAN INDIAN EDUCATION.]

The department of education shall conduct a comprehensive evaluation of the various education programs and services for American Indians. The purpose of the evaluation is to determine exemplary programs and practices as well as issues and needs related to the adaptation of the exemplary programs and practices within schools. The department shall report on the evaluation to the education committees of the legislature by November 30, 1986.

Sec. 20. [COLLECTION OF INFORMATION AND DATA.]

For fiscal years 1986 through 1988, the departments of health, education, and human services shall collect information and data, at each age level, on the revenues and expenditures for serving handicapped children under age five and their families. The department of education data shall be collected using the uniform financial accounting and reporting system.

Sec. 21. [TIMING FOR LICENSURE OF CERTAIN PERSONNEL.]

Notwithstanding any law to the contrary, the board of teaching shall allow employees of developmental achievement centers three years to meet the licensure requirements. This section shall apply only to personnel employed on the effective date of this act.

Sec. 22. [SPECIAL EDUCATION REPORT.]

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

Sec. 23. [REPORT TO LEGISLATURE ABOUT TRANSITION.]

The commissioner of education shall report to the legislature about the transition of handicapped pupils from school to post-secondary training and employment by February 1, 1987.

Sec. 24. [APPROPRIATIONS.]

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

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

\$136,126,400 _____ 1986,

\$140,157,900 _____ 1987.

The appropriation for 1986 includes \$20,719,600 for aid for fiscal year 1985 payable in fiscal year 1986, and \$115,406,800 for aid for fiscal year

1986 payable in fiscal year 1986.

The appropriation for 1987 includes \$20,773,600 for aid for fiscal year 1986 payable in fiscal year 1987 and \$119,744,300 for aid for fiscal year 1987, payable in fiscal year 1987.

The appropriations are based on aid entitlements of \$135,772,800 for fiscal year 1986 and \$140,875,600 for fiscal year 1987.

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

\$4,233,500 _____ 1986,

\$4,554,600 _____ 1987.

The appropriation for 1986 is for 1985 summer school programs.

The appropriation for 1987 is for 1986 summer school programs.

Subd. 4. [TRAVEL FOR HOME-BASED SERVICES.] For aid for teacher travel for home-based services for handicapped children under age five and their families there is appropriated:

\$456,000 _____ 1987.

The appropriation is based on aid entitlement of \$536,400.

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

\$1,354,000 _____ 1986,

\$1,414,000 _____ 1987.

Subd. 6. [LIMITED ENGLISH PROFICIENCY PUPILS PROGRAM AID.] For aid to educational programs for pupils of limited English proficiency pursuant to section 124.273 there is appropriated:

\$3,059,000 _____ 1986,

\$3,300,800 _____ 1987.

The appropriation for 1986 includes \$431,200 for aid for fiscal year 1985 payable in fiscal year 1986, and \$2,627,800 for aid for fiscal year 1986 payable in fiscal year 1986.

The appropriation for 1987 includes \$463,700 for aid for fiscal year 1986 payable in fiscal year 1987 and \$2,837,100 for aid for fiscal year 1987, payable in fiscal year 1987.

The appropriations are based on aid entitlements of \$3,091,500 for fiscal year 1986 and \$3,337,700 for fiscal year 1987.

Subd. 7. [AMERICAN INDIAN LANGUAGE AND CULTURE PROGRAM AID.] For grants to American Indian language and culture education programs pursuant to section 126.54, subdivision 1, there is appropriated:

\$587,400 _____ 1986,

\$613,400 _____ 1987.

The appropriation for 1986 includes \$85,200 for aid for fiscal year 1985

payable in fiscal year 1986, and \$502,200 for aid for fiscal year 1986 payable in fiscal year 1986.

The appropriation for 1987 includes \$88,600 for aid for fiscal year 1986 payable in fiscal year 1987 and \$524,800 for aid for fiscal year 1987, payable in fiscal year 1987.

The appropriations are based on aid entitlements of \$590,800 for fiscal year 1986 and \$617,400 for fiscal year 1987.

Subd. 8. [HEARING IMPAIRED SUPPORT SERVICES AID.] For payment of support services for hearing impaired persons pursuant to section 121.201 there is appropriated:

\$65,000 _____ 1986,

\$74,000 _____ 1987.

The appropriations are based on aid entitlements of \$65,000 for fiscal year 1986 and \$74,000 for fiscal year 1987.

Subd. 9. [AMERICAN INDIAN EDUCATION STUDY.] For the American Indian education study there is appropriated:

\$50,000 _____ 1986.

Subd. 10. [SECONDARY VOCATIONAL HANDICAPPED.] For aid for secondary vocational education for handicapped pupils according to section 124.574, there is appropriated:

\$3,576,700 _____ 1986,

\$3,655,800 _____ 1987.

The appropriation for 1986 includes \$551,700 for aid for fiscal year 1985 payable in fiscal year 1986. This amount also includes \$3,025,000 for aid for fiscal year 1986 payable in fiscal year 1986. This appropriation is based on the assumption that the state will spend for this purpose an amount at least equal to \$230,000 in fiscal year 1986 of federal money received for vocational education programs pursuant to the vocational education act of 1963, as amended.

The appropriation for 1987 includes \$533,800 for aid for fiscal year 1986 payable in fiscal year 1987. This amount also includes \$3,122,000 for aid for 1987 payable in fiscal year 1987. This appropriation is based on the assumption that the state will spend for this purpose an amount at least equal to \$230,000 in fiscal year 1987 of federal money received for vocational education programs pursuant to the vocational education act of 1963, as amended.

The appropriations are based on aid entitlements of \$3,558,800 for fiscal year 1986 and \$3,673,000 for fiscal year 1987.

Subd. 11. [OFFICE ON TRANSITION SERVICES.] For the interagency office on transition services there is appropriated:

\$75,000 _____ 1986,

\$85,000 _____ 1987.

Subd. 12. [CANCELLATION.] Except as provided in section 124.14,

subdivision 7, none of the amounts appropriated in this section shall be expended for a purpose other than the purpose indicated.

Subd. 13. [PRORATION.] If the appropriation amount in subdivisions 2, 3, 4, 5, 6, or 10 of this section attributable to either year for the purpose indicated plus the amount of any transfers made according to section 124.14, subdivision 7, is insufficient, the aid for that year shall be prorated among all qualifying districts and the state shall not be obligated for any amount in excess of the appropriations in this section for these purposes.

Sec. 25. [APPROPRIATIONS FOR DEFICIENCIES.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] There is appropriated from the general fund to the department of education the sums indicated in this section for the fiscal years indicated for the payment of deficiencies in funds available for the purposes indicated. These sums shall be added to the sums appropriated for fiscal year 1985 for the same purposes.

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

\$15,396,200 _____ 1985.

Of this amount, \$3,295,900 is for aid for fiscal year 1984 payable in fiscal year 1985, and \$12,100,300 is for aid for fiscal year 1985 payable in fiscal year 1985.

Subd. 3. [HEARING IMPAIRED SUPPORT SERVICES AID.] For support services for hearing impaired people according to section 121.201 there is appropriated:

\$15,000 _____ 1985.

Subd. 4. [SECONDARY VOCATIONAL PROGRAMS FOR HANDICAPPED CHILDREN.] For payments according to section 124.574 there is appropriated:

\$822,000 _____ 1985.

Sec. 26. [REPEALER.]

Minnesota Statutes 1984, sections 120.03, subdivisions 2, 3, and 4, and 124.32, subdivision 9a, are repealed.

Sec. 27. [EFFECTIVE DATE.]

Sections 7, 9, and 25 are effective the day following final enactment. Sections 2 to 6 and 14 are effective for the 1986-1987 school year and thereafter.

ARTICLE 4

COMMUNITY AND ADULT EDUCATION

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

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

Subdivision 1. [AUTHORIZATION.] The board of education of each school district of the state is hereby authorized to initiate a community education program in its district and to provide for the general supervision of said

the program. Each board may, as it considers appropriate, employ community education directors and coordinators to further the purposes of the community education program. The salaries of the directors and coordinators shall be paid by the board.

Subd. 2. [ADVISORY COUNCIL.] Each board shall provide for a citizens advisory council to consist of members who represent: the various service organizations; churches; private schools; local government; park, recreation or forestry services of municipal or local government units located in whole or in part within the boundaries of the school district; and any other groups participating in the community education program in the school district.

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

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

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

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

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

(2) classes specifically for handicapped adults;

(3) outreach activities to identify adults needing service;

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

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

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

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

(1) characteristics of the people to be served;

(2) description of the program services and activities;

- (3) *program budget and amount of aid requested;*
- (4) *participation by handicapped adults in developing the program;*
- (5) *assessment of the needs of handicapped adults; and*
- (6) *cooperative efforts with community organizations.*

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

121.882 [EARLY CHILDHOOD AND FAMILY EDUCATION PROGRAMS.]

Subdivision 1. [ESTABLISHMENT.] A district that provides a community education program may establish an early childhood ~~and~~ family education program. Two or more districts, each of which provides a community education program, may cooperate to jointly provide an early childhood ~~and~~ family education program.

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

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

The programs shall not include activities for children that do not require substantial involvement of the children's parents. *The programs shall be reviewed periodically to assure the instruction and materials are not racially, culturally, or sexually biased. The programs shall encourage parents to be aware of practices that can reduce equitable development of children.*

Subd. 3. [SEPARATE ACCOUNTS.] The district shall maintain a separate account within the community education fund for money for early childhood ~~and~~ family education programs.

Subd. 4. [PARTICIPANTS' FEES.] A district may charge a reasonable fee but it shall waive the fee for a participant unable to pay.

Subd. 5. [ADDITIONAL FUNDING.] A district may receive funds from any governmental agency or private source.

Subd. 6. [COORDINATION.] A district is encouraged to coordinate the program with its special education and vocational education programs and with related services provided by other governmental agencies and nonprofit agencies.

Subd. 7. [DISTRICT ADVISORY COUNCILS.] The school board shall appoint an advisory council from the area in which the program is provided. A majority of the council shall be parents participating in the program. The council shall assist the board in developing, planning, and monitoring the early childhood ~~and~~ family education program. The council shall report to the school board and the community education advisory council.

Subd. 8. [TEACHERS.] A school board shall employ necessary qualified teachers for its early childhood ~~and~~ family education programs.

Subd. 9. [ASSISTANCE.] The department of education shall provide assistance to districts with programs described in this section.

Subd. 10. [RULES.] The state board of education may adopt rules about program facilities, staff, services, and procedures.

Sec. 3. Minnesota Statutes 1984, section 124.175, is amended to read:

124.175 [AFDC PUPIL COUNT.]

Each year by March 1, the department of human services shall certify to the department of education, for each school district, (a) *the number of children from families receiving aid to families with dependent children who were under age five and not enrolled in any school on October 1 of the preceding year, and* (b) the number of pupils from families receiving aid to families with dependent children who were enrolled in a public school on October 1 of the preceding year.

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

124.26 [EDUCATION PROGRAMS FOR ADULTS.]

Subdivision 1. [COMPENSATION.] For ~~evening schools~~ *adult basic* and continuing education programs, the state shall pay aids on a current funding basis. ~~Except For the 1982-1983 1984-1985 school year, aid shall be 90 percent of the compensation paid each teacher for services in the programs up to \$8,000 per year as approved in the current year application. Aid may also be paid for an alternative method of providing programs if the method is determined by the commissioner of education to be cost-effective. Not more than two and one-half percent of the amount appropriated for evening schools and continuing education programs may be for alternative programs.~~

Beginning with the 1985-1986 school year, aid shall be 75 percent of the compensation paid each adult education teacher and volunteer coordinator for services in the programs; and 75 percent of other necessary expenditures as approved in the current year application. All classes and other learning options shall be tuition free when taught by teachers subsidized under this section. No charge for registration, materials and supplies may be made except a security deposit for the return of materials, supplies, and equipment. Evening school *Adult basic* 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.

Subd. 2. Each district *or group of districts* providing ~~evening school~~ *adult*

basic and continuing education programs shall establish and maintain accounts separate from all other district accounts for the receipt and disbursement of all funds related to these programs. All aid received pursuant to this section shall be utilized solely for the purposes of ~~evening school adult basic~~ and continuing education programs. In no case shall a district pursuant to this section receive more than 90 percent of the actual cost of providing these programs.

Subd. 6. [APPLICATIONS; PRORATION.] By August 1 of each fiscal year, the commissioner shall approve or disapprove all applications for funding for that year pursuant to ~~subdivision 4~~ under this section that were received by the preceding June 1, and shall notify the applicant districts of the decision. In any fiscal year when the total amount requested by districts for approved programs exceeds the amount appropriated, the commissioner shall, to the extent possible, fully fund the programs which were approved by August 1, and shall prorate any remaining funds among programs which are approved after August 1.

Sec. 5. Minnesota Statutes 1984, section 124.271, subdivision 2b, is amended to read:

Subd. 2b. [AID; 1985 1986, 1987 AND AFTER.] (1) Each fiscal year a district which is operating a community education program in compliance with rules promulgated by the state board shall receive community education aid. For fiscal year 1985 1986, the aid shall be an amount equal to the difference obtained by subtracting

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

(b) the greater of

(i) \$7,000, or

(ii) \$5 \$5.25 times the population of the district.

For fiscal year ~~1986~~ and each fiscal year thereafter 1987, the aid shall be an amount equal to the difference obtained by subtracting

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

(b) the greater of

(i) \$7,000 \$7,315, or

(ii) \$5.25 \$5.50 times the population of the district.

For fiscal year 1988 and each fiscal year thereafter, the aid shall be an amount equal to the difference obtained by subtracting

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

(b) the greater of

(i) \$7,680, or

(ii) \$5.75 times the population of the district.

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

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

Sec. 6. Minnesota Statutes 1984, section 124.271, is amended by adding a subdivision to read:

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

Sec. 7. Minnesota Statutes 1984, section 124.2711, is amended to read:

124.2711 [EARLY CHILDHOOD AND FAMILY EDUCATION AID.]

Subdivision 1. [DEFINITION OF MAXIMUM REVENUE.] ~~Beginning~~ For fiscal year 1986 ~~and each year thereafter~~ the "maximum revenue" for early childhood ~~and~~ family education programs for a school year means the amount of revenue equal to the product of five percent of the foundation aid formula allowance for the current school year, times the greater of (a) 150, or (b) the number of people under five years of age residing in the district on September 1 of the preceding school year. *For fiscal year 1987 and each year thereafter, the maximum revenue for early childhood family education programs for a school year means the amount of revenue equal to the product of 4-1/2 percent of the foundation aid formula allowance for the current school year, times the greater of (a) 150, or (b) the number of people under five years of age residing in the district on September 1 of the preceding school year.*

Subd. 2. [POPULATION.] For the purposes of subdivision 1, data reported to the department of education according to the provisions of section 120.095 may be used to determine the number of people under five years of age residing in the district. The commissioner, with the assistance of the state demographer, shall review the number reported by any district operating an early childhood ~~and~~ family education program. If requested, the district shall submit to the commissioner an explanation of its methods and other information necessary to document accuracy. If the commissioner determines that the district has not provided sufficient documentation of accuracy, the commissioner may request the state demographer to prepare an estimate of the number of people under five years of age residing in the district and may use

this estimate for the purposes of subdivision 1.

Subd. 3. [AID.] ~~In fiscal year 1986 and thereafter,~~ If a district complies with the provisions of section 121.882, it shall receive early childhood and family education aid equal to:

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

(b) the ratio of the district's actual levy to its permitted levy attributable to the same school year, according to section 275.125, subdivision 8b.

Subd. 4. [USE OF REVENUE RESTRICTED.] The proceeds of the aid authorized by this section and the levy authorized by section 275.125, subdivision 8b, shall be used only for early childhood and family education programs.

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

Subd. 8. [COMMUNITY EDUCATION LEVY.] (1) ~~Each year~~ *In 1985*, a district which has established a community education advisory council pursuant to section 121.88, may levy the amount raised by .8 mill times the most recent adjusted assessed valuation of the district, but no more than the greater of

~~(a) \$5.25~~ \$5.50 times the population of the district, or

~~(b) \$7,000~~ \$7,315.

(2) In 1986 and each year thereafter, a district that has established a community education advisory council pursuant to section 121.88, may levy the amount raised by .8 mill times the most recent adjusted assessed valuation of the district, but no more than the greater of \$5.75 times the population of the district, or \$7,680.

~~(2)~~ (3) In addition to the levy authorized in clause (1), in 1983 a district may levy an additional amount for community education programs equal to the difference obtained by subtracting

(a) the sum in fiscal year 1984 of

(i) the district's estimated maximum permissible revenue for fiscal year 1985 from community education aid under section 124.271, subdivision 2b, clause (1), and

(ii) the community education levy authorized in clause (1) of this subdivision, from

(b) the sum in fiscal year 1983 of

(i) the district's maximum permissible revenue from community education aid under section 124.271, subdivision 2, excluding any reductions from community education aid made pursuant to Laws 1981, Third Special Session chapter 2, article 2, section 2, clause (mm), and Laws 1982, Third Special Session chapter 1, article 3, section 6, and

(ii) the maximum community education levy authorized in this subdivision for the district for the levy made in 1981, payable in 1982, before any reduc-

tion in the levy pursuant to subdivision 9.

(3) (4) ~~In 1984 and~~ Each year thereafter, in addition to the levy authorized in clause (1) or (2), a district may levy an amount equal to the amount the district was entitled to levy pursuant to clause ~~(2)~~ (3) in 1983.

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

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

(5) (7) 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. 9. Minnesota Statutes 1984, section 275.125, subdivision 8b, is amended to read:

Subd. 8b. [EARLY CHILDHOOD AND FAMILY EDUCATION LEVY.] A district may levy for its early childhood and family education program. The amount levied shall not exceed the lesser of:

(a) .4 mill times the adjusted assessed valuation of the district for the year preceding the year the levy is certified, or

(b) the maximum revenue as defined in section 124.2711, subdivision 1, for the school year for which the levy is attributable.

Sec. 10. [1985 LEVY FOR HANDICAPPED ADULT PROGRAMS.]

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

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

Sec. 11. [APPROPRIATIONS.]

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

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

\$2,046,000 _____ 1986,

\$2,241,000 _____ 1987.

The amount appropriated for fiscal year 1986 includes \$286,000 for aid for fiscal year 1985 payable in fiscal year 1986, and \$1,760,000 for aid for fiscal year 1986 payable in fiscal year 1986.

The amount appropriated for fiscal year 1987 includes \$310,000 for aid for fiscal year 1986 payable in fiscal year 1987, and \$1,931,000 for aid for fiscal year 1987 payable in fiscal year 1987.

The appropriations are based on aid entitlements of \$2,070,034 for fiscal year 1986 and \$2,271,100 for fiscal year 1987.

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

\$1,671,800 _____ 1986,

\$1,903,200 _____ 1987.

The amount appropriated for fiscal year 1986 includes \$424,200 for aid for fiscal year 1985 payable in fiscal year 1986, and \$1,247,600 for aid for fiscal year 1986 payable in fiscal year 1986.

The amount appropriated for fiscal year 1987 includes \$220,200 for aid for fiscal year 1986 payable in fiscal year 1987, and \$1,683,000 for fiscal year 1987 payable in fiscal year 1987.

The appropriations are based on aid entitlements of \$1,467,800 for fiscal year 1986 and \$1,980,000 for fiscal year 1987.

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

\$5,245,400 _____ 1986,

\$8,003,600 _____ 1987.

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

The appropriation for 1987 includes \$925,600 for aid for fiscal year 1986

payable in fiscal year 1987, and \$7,078,000 for aid for fiscal year 1987 payable in fiscal year 1987.

The appropriations are based on aid entitlements of \$6,171,000 for fiscal year 1986 and \$8,327,000 for fiscal year 1987.

Subd. 5. [ADULT HANDICAPPED PROGRAM AID.] For aid for handicapped adult programs:

\$250,000 _____ 1986,

\$350,000 _____ 1987.

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

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

Subd. 6. [DEPARTMENT ASSISTANCE FOR EARLY CHILDHOOD FAMILY EDUCATION.] For the department to provide assistance to districts in planning, implementing and evaluating early childhood family education programs:

\$70,000 _____ 1986,

\$70,000 _____ 1987.

The department shall use the appropriation for personnel service contracts and expenses of conferences and workshops.

Subd. 7. [PRORATION.] Except as provided in section 124.14, subdivision 7, 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 plus the amount of any transfers made according to section 124.14, subdivision 7, is insufficient, the aid for that year shall be prorated among all qualifying districts, and the state shall not be obligated for any additional amount for these purposes.

Sec. 12. [APPROPRIATION FOR DEFICIENCY.]

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

Sec. 13. [REPEALER.]

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

Sec. 14. [EFFECTIVE DATE.]

Section 12 is effective the day following final enactment.

ARTICLE 5

ACCESS TO EXCELLENCE

Section 1. [120.076] [OPEN ENROLLMENT.]

Subdivision 1. [PURPOSE.] It is the intention of the legislature to foster

academic excellence for pupils in secondary schools. To that end, a pupil may enroll according to this section in a school district in which the pupil does not reside. The purpose of enrolling shall be to participate in the curricular offerings of the district. The pupil may participate in extracurricular or cocurricular activities as determined by the authority having jurisdiction over the activity.

Subd. 2. [PART-TIME ATTENDANCE.] A pupil may attend a nonresident school district without enrolling full time in the district. The purpose of attending shall be to participate in one or more of the curricular offerings for credit. The pupil may attend the nonresident district without the consent of the resident school district. A nonresident district may deny the pupil's attendance if there is not space available in the curricular offering.

Subd. 3. [NOTICE TO DEPARTMENT.] By July 1 each year, each school board shall notify the department of education whether it will allow nonresident pupils to enroll in the district during the following school year.

Subd. 4. [APPLICATION PROCEDURES AND DEADLINES.] A request to enroll in a nonresident district under this section shall be made on department of education forms. The department shall supply forms to each district. The form shall include demographic data and a description or name of the school or program in which the pupil wishes to enroll. The form shall be signed by the pupil's parent or guardian. The parent shall submit the application to the superintendent of the nonresident district by December 1 or, for a district with a desegregation plan, by November 1, for enrollment for the following school year. The superintendent of the nonresident district shall send a copy of each application it receives to the superintendent of each resident district within ten days of receiving the application. After the school board of the nonresident district approves or disapproves the request, it shall send a written notice to the parent of each pupil by mail by January 15 or, for a district with a desegregation plan, by November 20. The notice shall be a copy of the application form and shall specify the school or program in which the pupil may enroll.

Subd. 5. [SCHOOL BOARD APPROVAL.] The school board of the district of attendance shall approve or disapprove each request by a nonresident pupil to enroll in the district. The board shall designate the program or school the pupil may attend. In making the designation, the board shall assure that resident pupils have the same opportunity to participate in a program or enroll in a school as a nonresident pupil. The board may give preference to resident pupils to participate in a program or enroll in a school and may give preference to a nonresident pupil who would be returning to the program or school previously attended. The board may require requests from nonresident pupils to be submitted each year. The board may disapprove a request only because there is not space available in a program or school and according to subdivision 6. If the board receives more timely requests for a program or school than there is space available, the board shall approve requests on an equitable basis, including approval by lot.

Subd. 6. [RACIAL BALANCE.] A pupil wishing to transfer into or out of a district that has a desegregation plan for its schools shall apply, on the form described in subdivision 4, to the district having the desegregation plan by November 1 of each year for the following school year. If the number of

requests to transfer in and out of the district that has a desegregation plan would mean that the district would not be in compliance with state board rules about desegregation, the district shall propose limits on the number of majority and minority pupils as defined by state board rules, who may transfer into or out of each school building within the district. The district shall report its proposed transfer limits to the commissioner of education by November 10. The commissioner shall review the proposed transfer limits to determine whether they comply with state board rules, and to determine whether the proposed transfer limits conform to the district's desegregation plan. The commissioner shall either approve or modify the number of transfers to be permitted into or out of each school building, and shall notify the district thereof by November 15. Transfers allowed or disallowed under this subdivision shall not be a violation of chapter 363. Failure to comply with the limits established by the commissioner shall be a violation of this section. Within the limits established, selection of individual pupils shall be based on equitable criteria and may be made by lot. Written notice of approval or disapproval to transfer into or out of the district shall be sent by mail to the applicants by November 20.

Subd. 7. [ACCEPTANCE PROCEDURES AND DEADLINES.] The parent shall send a written notice by mail by February 1 to the superintendent of the nonresident district indicating whether the pupil will enroll in the district. By February 10 the superintendent of the nonresident district shall send written notice by mail to each superintendent of a resident district indicating each pupil who will enroll in the nonresident district the following school year.

Subd. 8. [FAILURE TO MEET DEADLINES.] If the parent does not send a written notice by February 1, the pupil shall not enroll in a nonresident district unless the pupil obtains written approval of the school board of the nonresident district and the school board of the resident district on a form provided by the department of education. Notwithstanding subdivision 7 or this subdivision, a pupil may enroll in the district of residence at any time.

Subd. 9. [PUPIL RIGHTS AND DISTRICT RESPONSIBILITIES.] A pupil enrolled in a nonresident district according to this section shall have the same rights to participate in curricular programs as a resident pupil. The provisions of sections 127.26 to 127.39 shall apply to the pupil and nonresident district during the time the pupil is enrolled. A pupil may not reenroll in the district of residence until after the time of suspension, exclusion, or expulsion has concluded.

Subd. 10. [CREDITS AND GRADUATION.] A pupil who is enrolled in a nonresident district under this section shall meet the course requirements of the nonresident district. A nonresident district shall accept credits awarded by the resident district and count them toward the graduation requirements of the district. The pupil may graduate from the nonresident district unless the nonresident and resident district agree otherwise.

Subd. 11. [INFORMATION.] A district allowing nonresident pupils to enroll under this section is encouraged to make information about district offerings available to parents and prospective pupils. A district may make other information available to help the parents and pupils make informed decisions. The department shall provide technical assistance to all districts

preparing information and to parents and pupils.

Subd. 12. [APPLICATION FORMS AND ENROLLMENT LIMITATIONS.] Notwithstanding the provisions of sections 363.03, subdivision 5, clause (3), and 127.08, a school district may use forms designating the race and handicapping condition of a pupil if such forms are developed by the department and are for the purpose of collecting information that will be used either to maintain racial balance in accordance with state board rules or to plan for the special education needs of a handicapped pupil. Notwithstanding any law to the contrary, it is not an unfair discriminatory practice for a school board to restrict or prevent enrollment in a school, program, or the district by restricting the number of or preventing handicapped pupils with a particular disability according to the space available in a school, program, or the district. Notwithstanding any law to the contrary, it is not an unfair discriminatory practice for a school board that has a desegregation plan for its schools to restrict or prevent enrollment in a school, program, or the district by restricting the number of or preventing majority or minority group pupils according to the space available in a school, program, or the district.

Subd. 13. [HANDICAPPED PUPILS.] The provisions of sections 120.17, subdivisions 6 and 7, and 120.181 regarding placement of handicapped and nonhandicapped pupils for care and treatment shall not be altered by this section. A handicapped pupil shall be provided special instruction and services by the nonresident district according to the eligibility standards and procedures of the nonresident district. The nonresident district may not bill the resident district for any costs related to a handicapped pupil enrolled under this section. The nonresident district shall be paid federal aid for a nonresident handicapped pupil enrolled in the district. If a nonresident district determines it will no longer have space available in a program for the following school year for all or some of the handicapped pupils who have been enrolled, the nonresident district shall not be responsible for providing special instruction and services after the school year ends for that pupil, notwithstanding any law, rule, or contents of an individual education plan to the contrary. When a handicapped pupil enrolled in a nonresident district will be enrolled in another nonresident district or the district of residence, the current nonresident district shall convene a team meeting by May 1 with the parent and the district in which the handicapped pupil will be enrolled. The team meeting shall facilitate development of an individual education plan for the following school year.

Sec. 2. [123.3514] [ENROLLMENT IN POST-SECONDARY INSTITUTIONS.]

Subdivision 1. [ENROLLMENT.] An eleventh or twelfth grade pupil may enroll in programs or courses in any public post-secondary institution in the state. A pupil may enroll for post-secondary credit in one or more programs or courses or may enroll as a full-time student in a degree or certificate program. A pupil may enroll in courses or programs selected by the pupil if there is space available. Credit shall be granted by the district according to section 123.3511. The institution shall not charge tuition, fees, or other charges to a pupil. No pupil may attend a public post-secondary institution under this section after the pupil has completed the equivalent of twelfth grade, even if the pupil has not graduated from high school.

Subd. 2. [TRANSPORTATION.] A district of attendance shall provide

transportation on regular school bus routes to any pupil enrolled part time or full time in a post-secondary institution if the transportation does not interfere with transportation of pupils to or from school or other authorized transportation of pupils. The district of attendance may provide transportation to any pupil enrolled in a post-secondary institution but shall not receive aid under section 124.225. The district of attendance shall reimburse the cost of transportation for a pupil who demonstrates financial need and who attends a post-secondary school part time or full time. The one-way mileage limit for reimbursement is 30 miles. The state shall pay a school district for the amounts paid to pupils demonstrating financial need.

Sec. 3. Minnesota Statutes 1984, section 123.39, is amended by adding a subdivision to read:

Subd. 14. [CERTAIN NONRESIDENTS.] The district of attendance shall provide transportation within the district for a pupil enrolled full time under section 1. The state shall pay transportation aid according to section 124.225 to the district of attendance. A district of residence is not required to provide or pay for transportation between a pupil's residence and the border of the district of attendance. A pupil enrolled full time under section 1 who demonstrates financial need shall be reimbursed by the district of attendance for the cost of transportation to and from the pupil's residence to the border of the district of attendance.

For a part-time pupil who demonstrates financial need, the district of attendance shall reimburse the cost of transportation to and from the pupil's residence or secondary school in the district of residence, as applicable, and the secondary school in a nonresident district. The one-way mileage limit for reimbursement is 30 miles. The state shall pay a school district for the amounts paid to part-time pupils demonstrating financial need.

Sec. 4. [124.275] [ARTS EDUCATION AID.]

Subdivision 1. [PURPOSE AND ELIGIBILITY.] Arts education aid is to enable a school district to improve and enrich its elementary arts education program. To be eligible for aid under this section a district shall either have completed a comprehensive arts planning program according to sections 129B.17 to 129B.21 or have an approved arts education plan and submit an application to the department of education according to subdivision 2. A district may not use the aid to supplant funding for arts programs in existence before the 1985-1986 school year. Districts are encouraged to offer cooperative programs and share staff with other districts when appropriate to maximize the use of the aid.

Subd. 2. [APPLICATION FOR AID.] A district may apply for aid by completing an application and submitting it to the department of education. The application must include at least the following:

(1) a description of the proposed use of the aid; and

(2) a verification that the district has completed the comprehensive arts planning program or has a long-range plan for arts education. This long-range plan must be approved by the planning, evaluation, and reporting committee, the comprehensive arts planning committee, or an advisory committee about arts education, composed of district and community people and appointed by the school board. The plan must be adopted by the school

board.

Subd. 3. [APPROVAL OF APPLICATION.] The department shall prescribe the time and form for a district to apply for aid. The department shall review the application for completeness according to subdivision 2 and criteria for use of aid according to subdivision 4. The department shall notify a district within 30 days of receiving an application whether or not the application is approved.

Subd. 4. [USE OF AID.] Aid shall be used for elementary arts education programs such as creative dramatics, dance, creative writing, music, visual arts, and film and video arts. The aid shall be used for either or both of the following purposes:

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

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

Subd. 5. [AID AMOUNT.] Arts education aid shall equal \$2 times the number of pupils in grades kindergarten to six in average daily membership for the 1985-1986 school year. No district shall receive less than \$2,000. Aid shall be paid within 30 days of department approval of the application.

Subd. 6. [MATCHING FUNDS.] A district is encouraged to match the amount of aid by using its funds or by obtaining funds from other sources.

Sec. 5. Minnesota Statutes 1984, section 124A.036, is amended by adding a subdivision to read:

Subd. 5. [CERTAIN NONRESIDENTS.] (a) Foundation aid, as defined in section 124A.01, clauses (a) to (f), shall be adjusted for pupils enrolled in a nonresident district under section 1 or attending part-time under section 1, subdivision 2. The adjustment shall be made according to this subdivision.

(b) Foundation aid paid to the district of residence shall be reduced by an amount equal to the sum of (1) the formula allowance, and (2) the tier revenue of that district per actual pupil unit, multiplied by the number of pupil units of resident pupils enrolled in another district or a pro rata share for resident pupils attending part-time in another district.

(c) Foundation aid paid to the district of attendance shall be increased by an amount equal to the sum of (1) the formula allowance, and (2) the tier revenue of that district per actual pupil unit, multiplied by the number of pupil units of nonresident pupils enrolled in school in the district under section 1 or a pro rata share for nonresident pupils attending part-time in the district.

(d) If the amount of the net reduction to be made from the foundation aid of the district of residence is greater than the amount of foundation aid otherwise due the district, the excess reduction shall be made from other state aids. Any net reduction required under this subdivision for a district that does not receive foundation aid and tier aid shall be made from other state aids or credits paid to the district.

(e) The state shall pay a school district that does not receive basic founda-

tion aid according to section 124A.02, subdivision 5, the amount of net increase computed under this subdivision. This adjustment shall not affect the computation of basic maintenance levy equity under section 124A.037.

Sec. 6. Minnesota Statutes 1984, section 124A.036, is amended by adding a subdivision to read:

Subd. 6. [ATTENDANCE AT PUBLIC POST-SECONDARY INSTITUTIONS.] Notwithstanding any law to the contrary, the foundation aid for pupils attending public post-secondary institutions under section 2 shall be reduced by an amount equal to the difference between the formula allowance plus the total tier revenue attributable to that pupil and an amount computed by multiplying the formula allowance plus the total tier revenue attributable to that pupil by a ratio. The ratio to be used is the total number of hours that that pupil is enrolled in courses in the secondary school during the regular school year over 1,050. The department of education shall transfer to the higher education coordinating board an amount for payments to post-secondary institutions that shall not exceed the sum of all reductions made under this subdivision.

Sec. 7. [126.56] [SUMMER SCHOLARSHIPS FOR ACADEMIC ENRICHMENT.]

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

Subd. 2. [ELIGIBLE STUDENT.] To be eligible for a scholarship, a student shall:

- (1) be a resident of Minnesota;*
- (2) attend an eligible program;*
- (3) have been in the previous school year in a grade between 7 and 12 inclusive;*
- (4) have earned at least a B average during the semester or quarter prior to application; and*
- (5) demonstrate need for financial assistance.*

Subd. 3. [FINANCIAL NEED.] Need for financial assistance shall be based on family income, family size, and special necessary expenditures of the family. The higher education coordinating board shall determine the financial need of each pupil based on the actual charges made by the institution sponsoring the summer program and shall award scholarships within the limits of the appropriation for this section. If the amount appropriated is insufficient to make a full award to each applicant, the board shall allocate the amount appropriated in the manner it determines. Scholarships shall not be less than \$100 or more than \$1,000.

Subd. 4. [ELIGIBLE PROGRAMS.] A scholarship may be used only for an eligible program. An eligible program shall be approved by the state board of education. An eligible program shall be sponsored by a post-secondary institution that:

- (1) is accredited by the North Central Association of Colleges;*

(2) offers at least an associate or baccalaureate degree program approved under section 136A.65, subdivision 1; and

(3) is located in Minnesota.

An eligible program shall, as its primary purpose, provide academic instruction for student enrichment in curricular areas including, but not limited to, communications, humanities, social studies, social science, science, mathematics, art, or foreign language. The program shall not be offered for credit to post-secondary students. It shall not provide remedial instruction. Additional requirements for eligibility may be established by the state board of education and the higher education coordinating board.

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

Subd. 6. [INFORMATION.] The academic excellence foundation shall assemble and distribute information about scholarships and eligible programs. It may seek nonstate funds to perform its duties.

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

Subd. 8. [EXEMPTION FROM RULEMAKING.] Sections 14.01 to 14.47 do not apply to this section.

Sec. 8. Minnesota Statutes 1984, section 129B.17, is amended to read:

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

The department of education shall prescribe the form and manner of application for recipients of by school districts to be designated as a site to participate in the comprehensive arts in education planning grants program. Up to 40 sites may be selected. The state board department of education shall award grants designate sites in consultation with the Minnesota alliance for arts in education and the Minnesota state arts board.

Sec. 9. Minnesota Statutes 1984, section 129B.20, is amended to read:

129B.20 [CRITERIA FOR GRANT APPROVAL COMPREHENSIVE ARTS PLANNING PROGRAM SITES.]

Subdivision 1. [FUNDING.] Up to 30 grants of \$1,000 each may be approved for programs which include: Each site shall receive \$2,500 each year

for two years. Before receiving money for the second year, a long-range plan for arts education must be submitted to the department.

Subd. 2. [CRITERIA.] The department of education, in consultation with the Minnesota alliance for arts in education, shall establish criteria for site selection. Criteria shall include at least the following:

(1) a needs assessment of arts education and planning in the school district a willingness by the district to designate a program chair for comprehensive arts planning with sufficient authority to implement the program;

(2) creation of a community-based arts education team of eight individuals from the a willingness by the district to create a committee comprised of school district and the community people whose function will be is to promote comprehensive arts education in the school district;

(3) participation by commitment on the part of committee members of the arts education team to participate in training offered by the department of education; and

(4) establishment of an evaluation component a commitment of the committee to conduct a needs assessment of arts education;

(5) commitment by the committee to evaluating its involvement in the program;

(6) a willingness by the district to adopt a long-range plan for arts education in the district;

(7) no previous involvement of the district in the comprehensive arts planning program; and

(8) location of the district to assure representation of urban, suburban, and rural districts and distribution of sites throughout the state.

Subd. 3. [PROGRAM ACCOUNTS.] A district receiving funds shall maintain a separate account for the receipt and disbursement of all funds relating to the program. The funds shall be spent only for the purpose of arts education programs, including teacher release time.

Subd. 4. [ADDITIONAL FUNDING.] A district receiving funds may receive funds for the program from private sources and from other governmental agencies, including any state or federal funds available for arts education.

Sec. 10. Minnesota Statutes 1984, section 129B.21, is amended to read:

129B.21 [DEPARTMENT RESPONSIBILITY.]

The department of education, in cooperation with the Minnesota alliance for arts in education and the Minnesota state arts board, shall:

(1) provide materials, training, and assistance to the arts education teams committees in the school districts;

(2) provide consultation and technical assistance to districts which receive arts in education planning grants; and

(3) submit a report to the education committees of the senate and house of representatives by January 1, 1985. The report shall include the status and

implementation of comprehensive arts in education planning grants and the department's plans to promote arts education in the schools. The department may contract with the Minnesota alliance for arts in education for its involvement in providing services, including staff assistance, to the program.

Sec. 11. [129B.24] [MINNESOTA ARTS RESOURCE CENTER.]

Subdivision 1. [ESTABLISHMENT.] The Minnesota arts resource center is established.

Subd. 2. [GOVERNANCE.] The Minnesota arts resource center shall be governed by a board consisting of 15 persons. The members of the board shall be appointed by the governor with the advice and consent of the senate. At least one member must be appointed from each congressional district.

Subd. 3. [TERMS, COMPENSATION, AND OTHER.] The membership terms, compensation, removal of members, and filling of vacancies shall be as provided for in section 15.0575. A member may serve not more than two consecutive terms.

Subd. 4. [POWERS AND DUTIES OF BOARD.] The board has the powers necessary for the care, management, and control of the Minnesota arts resource center. The powers shall include, but are not limited to, the following:

(1) to determine the exact location and site for the Minnesota arts resource center and any additional related facilities, including authority to acquire, construct, or remodel buildings;

(2) to employ and discharge necessary employees, and contract for other services to ensure the efficient operation of the resource center;

(3) to establish a charitable foundation and accept, in trust or otherwise, any gift, grant, bequest, or devise for educational purposes and hold, manage, invest, and dispose of them and the proceeds and income of them according to the terms and conditions of the gift, grant, bequest, or devise and its acceptance;

(4) to provide for the payment of all just claims against the board in cases provided by law;

(5) in all proper cases, to prosecute and defend actions by or against the board;

(6) to establish or coordinate evening, continuing education, extension, and summer programs through the resource center for teachers and pupils;

(7) to publish revenue and expenditure budgets annually;

(8) to establish advisory committees as needed to advise the board on policies and issues related to the resource center;

(9) to consult regularly with other state and local organizations providing educational or arts programs; and

(10) to report annually to the state board of education on the status and operation of the Minnesota arts resource center.

Subd. 5. [RESOURCE CENTER.] Programs shall be offered through the resource center that are directed at improving arts education in elementary

and secondary schools throughout the state. The programs offered shall include at least summer institutes offered in various regions of the state, in-service workshops for teachers, leadership development programs for teachers, teacher exchange programs between school districts, and programs to enable exchange of pupil productions and artistic works between districts. The board shall establish a resource center advisory council composed of elementary and secondary arts educators, representatives from post-secondary educational institutions, department of education, state arts board, regional arts councils, educational cooperative service units, school district administrators, parents, and other organizations involved in arts education. The advisory council shall include representatives from a variety of arts disciplines and from various areas of the state. The advisory council shall advise the board about the activities of the center. Programs offered through the resource center shall promote and develop arts education programs offered by school districts and arts organizations and shall assist school districts and arts organizations in developing innovative programs. The board may contract with nonprofit arts organizations to provide programs through the resource center. The advisory council shall advise the board on contracts and programs related to the operation of the resource center.

Sec. 12. [136A.90] [PAYMENT TO POST-SECONDARY INSTITUTIONS.]

The higher education coordinating board shall make payments to each post-secondary institution in which pupils are enrolled under section 2. The payment shall be based on the average tuition costs of the respective post-secondary systems and shall be made each term following documentation by the institution of the number of full time equivalent secondary pupils enrolled under section 2 according to enrollment as of the tenth day of instruction. The payment for any pupil shall not exceed the actual tuition cost for that pupil. For the purpose of section 135A.03, a pupil attending a post-secondary institution shall not be included in the institution's student enrollment. The post-secondary institution shall provide textbooks and other materials required for the course at no charge to the pupil. In no case shall the payment for tuition costs, textbooks, and materials exceed the total revenue allowance attributable to a pupil.

Sec. 13. [TIMING FOR DISTRICT NOTIFICATION FOR 1986-1987.]

Notwithstanding section 1, subdivision 3, a school board shall notify the department of education by October 1, 1985 whether it will allow nonresident pupils to enroll during the 1986-1987 school year.

Sec. 14. [RULES FOR TRANSPORTATION REIMBURSEMENT.]

According to its authority in Minnesota Statutes, section 121.11, subdivision 7, the state board of education shall adopt rules relating to financial need for reimbursement for transportation costs for pupils attending nonresident districts full time or part-time and post-secondary institutions.

Sec. 15. [REPORTS AND EVALUATION.]

The commissioner of education shall annually monitor the data submitted by school districts to ensure that segregation is not occurring on a district by district basis.

Each district shall submit a report to the state board of education. The

report shall contain the reasons a school board did not allow pupils to enroll under the open enrollment program. For districts that allowed pupils to enroll, the report shall include the number of pupils who left the district and the number of pupils who entered and the reasons pupils made changes. The report may include problems the district encountered in implementing the open enrollment program and recommendations for changes. The department of education shall submit a detailed summary of district reports to education committees of the legislature.

The department of education shall collect information about pupils attending post-secondary institutions under sections 123.3511 and 2, whether full time or part time.

By January 15, 1986, the department of education shall submit a progress report about implementing the open enrollment program and the post-secondary enrollment program. By January 15, 1987, and April 1, 1987, the department shall submit a report to the education committees of the legislature about the implementation of both programs and its recommendations.

Sec. 16. [TIMING FOR ARTS EDUCATION SITES AND AID.]

Comprehensive arts planning sites shall be selected by November 1, 1985, for the 1985-1986 and 1986-1987 school years. Funds for use during the 1985-1986 school year shall be paid by January 15, 1986. Funds for use during the 1986-1987 school year shall be paid by August 15, 1986.

Sec. 17. [APPROPRIATIONS TO DEPARTMENT OF EDUCATION.]

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

Subd. 2. [COMPREHENSIVE ARTS PLANNING PROGRAMS.] For comprehensive arts planning programs there is appropriated:

\$200,000 _____ 1986,

\$200,000 _____ 1987.

The unencumbered balance remaining from fiscal year 1986 shall not cancel but shall be available for fiscal year 1987.

Subd. 3. [ARTS EDUCATION AID.] For arts education aid there is appropriated:

\$1,000,000 _____ 1986,

\$1,000,000 _____ 1987.

The unencumbered balance remaining from fiscal year 1986 shall not cancel but shall be available for fiscal year 1987.

Subd. 4. [RESOURCE CENTER.] For operation of the resource center there is appropriated:

\$500,000 _____ 1986,

\$600,000 _____ 1987.

The unencumbered balance remaining from fiscal year 1986 shall not can-

cel but shall be available for fiscal year 1987.

Subd. 5. [TRANSPORTATION REIMBURSEMENT FOR SECONDARY ENROLLMENT.] For transportation reimbursement for pupils enrolled in or attending secondary schools in nonresident districts there is appropriated:

\$666,000 _____ 1987.

Subd. 6. [TRANSPORTATION REIMBURSEMENT FOR POST-SECONDARY ATTENDANCE.] For transportation reimbursement for pupils attending post-secondary institutions there is appropriated:

\$100,000 _____ 1987.

Sec. 18. [APPROPRIATION TO HIGHER EDUCATION COORDINATING BOARD.]

\$500,000 is appropriated in fiscal year 1986 from the general fund to the higher education coordinating board for administration and for scholarship awards for 1986 and 1987 summer programs. The sum shall be available until June 30, 1987.

Sec. 19. [REPEALER.]

Minnesota Statutes 1984, sections 123.35, subdivision 14, 129B.18, and 129B.19, are repealed.

Sec. 20. [EFFECTIVE DATE.]

Section 4 is effective for the 1985-1986 school year and thereafter.

Sections 1 and 2 are effective for pupils in eleventh and twelfth grades for the 1986-1987 school year and thereafter. Section 1 is effective for pupils in the ninth and tenth grades for the 1988-1989 school year and thereafter.

ARTICLE 6

OTHER AIDS AND LEVIES

Section 1. Minnesota Statutes 1984, section 121.151, is amended to read:

121.151 [STANDARDS FOR REMOVAL OF HAZARDOUS SUBSTANCES.]

Prior to using the revenue obtained according to sections 123.36, subdivision 13, 124.245, subdivisions 4b 3 and 4e 4, and 275.125, subdivisions 11b and 11c, a school district shall obtain approval from the department of education for its method of removal or encapsulation of asbestos or cleanup or disposal of polychlorinated biphenyls. The department of education shall consult with the pollution control agency, health department, environmental protection agency, or other appropriate governmental agency in approving or disapproving a district's method. If the pollution control agency or other appropriate governmental agency adopts rules establishing standards for asbestos removal or encapsulation or cleanup or disposal of polychlorinated biphenyls, the department of education shall approve only those district methods which are in compliance with the adopted rules.

Sec. 2. Minnesota Statutes 1984, section 123.705, subdivision 1, is amended to read:

Subdivision 1. [AID AMOUNTS.] The department of education shall pay each school district for the cost of screening services provided pursuant to sections 123.701 to 123.705. The payment shall not exceed ~~\$15~~ \$16.20 per child screened in fiscal year 1983, ~~\$15 per child screened in fiscal year 1984,~~ 1986 and ~~\$15.60~~ 16.95 per child screened in fiscal year 1985 1987.

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

Subd. 3. [AID.] A district ~~which~~ *that* establishes a program for gifted and talented students shall receive for the purpose of this program an amount equal to ~~\$16.18 in the 1982-1983 school year, \$18.25 in the 1983-1984 school year, and \$19.00 in the 1984-1985 school year,~~ \$45 for the 1985-1986 school year and \$47 for the 1986-1987 school year times the number of gifted and talented students in the district. *No district that establishes a program shall receive less than \$500.* No more than five percent of the students enrolled in the district shall be counted as gifted and talented for the purpose of aid computations pursuant to this subdivision. No more than five percent of the ~~moneys received by a district pursuant to this subdivision aid~~ may be expended for the purpose of administration of *by the district to administer the program for gifted and talented students.*

Sec. 4. Minnesota Statutes 1984, section 124.245, is amended to read:

124.245 [CAPITAL EXPENDITURE EQUALIZATION AID.]

Subdivision 1. [BASIC COMPUTATION.] (a) ~~Each~~ *For* fiscal year 1986 the state shall pay a school district the difference by which an amount equal to \$90 per pupil unit in that school year or, in districts where the number of actual pupil units has increased from the prior year, \$95 per pupil unit in that school year, exceeds the amount raised by seven mills times the adjusted assessed valuation of the taxable property in the district for the preceding year. To qualify for aid pursuant to this subdivision in any school year, a district must have levied seven EARC mills for use for capital expenditures in that year pursuant to section 275.125, subdivision 11a.

(b) The aid under clause (a) for any district which operates an approved secondary vocational education program or an approved senior secondary industrial arts program shall be computed using a dollar amount per pupil unit which is \$5 higher than the amount specified in clause (a).

(c) If the sum of a district's capital expenditure levy under section 275.125, subdivision 11a, attributable to any school year and its capital expenditure equalization aid, if any, under this subdivision for that school year exceeds \$90 per pupil unit or, in districts where the number of actual pupil units has increased from the prior year, \$95 per pupil unit, the amount of the excess may be expended only for the purpose of capital expenditures for equipment for secondary vocational education programs or senior secondary industrial arts programs.

Subd. 2. [BASIC COMPUTATION.] (a) *Each year the state shall pay a school district basic capital expenditure aid equal to the difference by which an amount equal to \$90 per pupil unit in that school year or, in districts in which the number of actual pupil units has increased from the prior year, \$95 per pupil unit in that school year, exceeds the amount raised by three mills times the adjusted assessed valuation of the taxable property in the district for*

the preceding year.

(b) The aid under clause (a) for any district operating an approved secondary vocational program or an approved senior secondary industrial arts program shall be computed using a dollar amount per pupil unit that is \$5 higher than the amount specified in clause (a).

(c) If the sum of a district's capital expenditure levy under section 275.125, subdivision 11a, attributable to any school year and its capital expenditure aid, if any, under this subdivision for that school year exceeds \$90 per pupil unit or, in districts where the number of actual pupil units has increased from the prior year, \$95 per pupil unit, the amount of the excess may be expended only for the purpose of capital expenditures for equipment for secondary vocational education programs or senior secondary industrial arts programs.

~~Subd. 4b.~~ 3. [SPECIAL PURPOSE COMPUTATION.] ~~For the 1983-1984 school year and each year thereafter,~~ The state shall pay a school district the difference by which an amount equal to \$25 per pupil unit exceeds the amount raised by two mills times the adjusted assessed valuation of the taxable property in the district for the preceding year. To qualify for aid pursuant to this subdivision in any school year, a district must levy ~~the maximum permissible amount~~ pursuant to section 275.125, subdivision 11b for use in that year. Aid paid pursuant to this subdivision may be used only for the purposes for which the proceeds of the levy authorized in section 275.125, subdivision 11b may be used.

~~Subd. 4c.~~ 4. [HAZARDOUS SUBSTANCE COMPUTATION.] ~~For the 1984-1985 school year and each year thereafter,~~ The state shall pay a school district the difference by which an amount equal to \$25 per pupil unit exceeds the amount raised by two mills times the adjusted assessed valuation of the taxable property in the district for the preceding year. To qualify for aid pursuant to this subdivision in any school year, a district must levy ~~the maximum permissible amount~~ pursuant to section 275.125, subdivision 11c for use in that year. Aid paid pursuant to this subdivision may be used only for the purposes for which the proceeds of the levy authorized in section 275.125, subdivision 11c may be used.

Subd. 5. [PROPORTIONATE AID.] *For any district that does not levy the maximum permissible levy under section 275.125, subdivision 11a, 11b, or 11c, the aid under subdivision 2, 3, or 4 that is attributable to the same school year shall be reduced by multiplying the aid amount by the ratio of the district's actual levy to its maximum permissible levy.*

~~Subd. 2.~~ 6. [PUPIL UNITS.] As used in this section, pupil units shall include those units identified in section 124.17, subdivision 1, clauses (1) and (2), and 98.5 percent of the units identified in Minnesota Statutes 1980, Section 124.17, Subdivision 1, Clauses (4) and (5) for 1980-1981.

~~Subd. 3.~~ [PAYMENT DEADLINE.] All capital expenditure equalization aid shall be distributed prior to November 1 of each year.

~~Subd. 4.~~ [PAYMENT SCHEDULE.] Starting in 1982-1983, Eighty-five percent of a district's capital expenditure equalization aid for each school year shall be distributed prior to November 1 of that school year. The final aid distribution to each district shall be made prior to November 1 of the following school year.

Sec. 5. [124.248] [ESTABLISHMENT OF EDUCATION DISTRICTS.]

Subdivision 1. [DECLARATION OF POLICY.] It is the intent of the legislature to encourage improved efficiency and effectiveness of education in Minnesota and to maximize the use of educational faculty and educational facilities. It is the policy of the legislature to encourage educational institutions, districts, and systems to work together cooperatively.

Subd. 2. [EDUCATION DISTRICT DEFINITION.] An education district is a school district with a total enrollment of more than 10,000 pupils in average daily membership or a group of school districts that has either an agreement pursuant to section 122.541, 123.351, 136D, 471.59, or an agreement to provide educational services cooperatively and that has:

- (1) at least 4 school districts;*
- (2) at least 5,000 pupils; or*
- (3) at least 2,000 square miles.*

A variance from clauses (1), (2), and (3) may be approved by the state board of education in accordance with criteria established by the board.

Subd. 3. [EDUCATION DISTRICT PLAN.] The board of an education district, established according to subdivision 4, shall develop a comprehensive plan for learning within the education district. The plan shall provide for coordination of member district programs and education district programs for community education, early childhood family education, improved learning, secondary vocational education, programs for handicapped pupils, programs for gifted and talented pupils, and low incidence programs. The plan may provide methods for secondary pupils to enroll in courses in post-secondary institutions. The plan may include provisions for staff development. School districts participating in an education district shall work cooperatively to extend, combine, or expand current educational and curriculum opportunities for all students in the education district. Efforts shall be made to encourage cooperation and partnerships with post-secondary educational systems and business and industry. Efforts shall also be made to improve efficiency and cost effectiveness and maximize the use of administrative and instructional personnel within the education district. The plan must be submitted to the state board for approval in accordance with criteria established by the board.

Subd. 4. [ATTENDANCE IN OTHER DISTRICTS] An education district board may arrange for a pupil, who is a resident of a district that is a member of the education district, to attend programs or courses offered by another district that is a member of the education district. A pupil must receive the recommendation of a career teacher, according to section 129B.46, or a counselor to attend the nonresident district. The education district board may develop procedures to reimburse a district for the cost of providing instruction to a nonresident pupil or the board may follow the provisions of section 124.18, subdivision 2. The resident district shall count its resident pupils attending programs or courses in another district for the purpose of state aid and levy limitations. A resident district may provide transportation and receive transportation aid for its resident pupils attending programs or courses in another district.

Subd. 5. [ATTENDANCE AT POST-SECONDARY INSTITUTIONS.]

An education district board may arrange for secondary pupils who are residents of member districts to enroll in courses at post-secondary institutions. Pupils must receive the recommendation of a career teacher, according to section 129B.46, or a counselor to enroll in courses at post-secondary institutions. Credit shall be determined according to sections 123.3512 and 123.3513. Reimbursement for instruction offered at the post-secondary institution shall be determined according to an agreement between the post-secondary institution and the education district board. A resident and nonresident district may provide transportation on a regular school bus route for any pupil enrolled in courses at a post-secondary institution.

Subd. 6. [TEACHERS WITHIN EDUCATION DISTRICT.] Notwithstanding any other law to the contrary, a district in an education district may arrange for a teacher to teach one or more courses in another district in the education district.

Subd. 7. [EDUCATION DISTRICT BOARD.] An education district board shall coordinate the manner in which the agreement is carried out. The board shall consist of one or two representatives appointed by the full membership of each of the boards of the districts forming the education district, except that the boards of the districts forming the education district may designate a board already established pursuant to section 123.33, 123.351, 123.51, 123.58, 136D, or 471.59 to be the education district board. If an already established board is designated to be the education district board, it must represent the same districts as those forming the education district.

Subd. 8. [ADVISORY COUNCIL.] An advisory council consisting of representatives from the following areas shall be appointed by the education board: improved learning program, early childhood and family education program, gifted and talented program, community education program, curriculum advisory committee, special education, vocational education, parent associations, teachers, principals, and public and private post-secondary institutions in the education district area.

Subd. 9. [EDUCATIONAL COOPERATIVE SERVICE UNITS.] If requested, educational cooperative service units shall provide assistance to districts in establishing education districts. The assistance may include determination of appropriate boundaries of the education district and development of the comprehensive plan for learning.

Subd. 10. [ELIGIBLE DISTRICTS.] Beginning in the 1986-1987 school year, a district shall be eligible for education district aid if it has entered an education district according to subdivision 2 and the education district has developed a comprehensive plan for learning that has been approved by the state board of education according to subdivision 3.

Subd. 11. [REVENUE.] (a) A district's education district revenue shall equal the lesser of:

(1) \$52.25 times the actual pupil units in the district for that school year;

(2) \$52,250; or

(3) the estimated cost to the district of the education district program for the school year to which the levy is attributable.

(b) A district's education district levy limitation means its levy limitation

computed according to section 11.

Subd. 12. [EDUCATION DISTRICT AID.] A district's education district aid for any school year shall equal:

(a) the difference between its education district revenue and its education district levy limitation for the levy for that school year; multiplied by

(b) the ratio of the amount actually levied to the amount of the permitted levy.

Subd. 13. [INTERMEDIATE DISTRICTS.] School districts that receive elementary or secondary education services from an intermediate district established in chapter 136D and in which a levy for secondary education services is certified according to section 136D.27, 136D.74, or 136D.87 are not eligible for revenue under subdivision 8;

Subd. 14. [REPORT.] By January 15, 1987, and January 15 of each year thereafter, the department of education shall report to the education committees of the legislature on the education districts established.

Sec. 6. Minnesota Statutes 1984, section 124.573, subdivision 2, is amended to read:

Subd. 2. [SALARIES; EQUIPMENT AND TRAVEL.] ~~Except for the 1982-1983 school year, the state shall pay to any district or cooperative center 45 percent of~~ *The eligible expenses for secondary vocational aid are: (1) the salaries paid to essential, licensed personnel in that school year for services rendered in that district's or center's secondary vocational education programs- Except for the 1982-1983 school year, the state shall pay 45 percent of; (2) the costs of necessary travel between instructional sites by secondary vocational education teachers and 45 percent of; and (3) the costs of necessary travel by secondary vocational education teachers accompanying students to and from vocational student organization meetings held within the state for educational purposes. For the 1981-1982 school year, the state shall pay 45 percent of the costs of necessary equipment for these programs. No secondary vocational equipment aid shall be paid for the 1982-1983 school year and thereafter. The state shall pay to any district or cooperative center 40 percent of the eligible expenses for the 1985-1986 school year and 39 percent of the eligible expenses for the 1986-1987 school year. The commissioner may withhold all or any portion of this aid for a secondary vocational education program which receives funds from any other source. In no event shall a district or center receive a total amount of state aid pursuant to this section which, when added to funds from other sources, will provide the program an amount for salaries, equipment and travel which exceeds 100 percent of the amount of its expenditures for salaries, equipment and travel in the program.*

Sec. 7. Minnesota Statutes 1984, section 124.573, subdivision 3a, is amended to read:

Subd. 3a. [AID FOR CONTRACTED SERVICES.] 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. ~~Except for the 1982-1983 school year, 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. 8. Minnesota Statutes 1984, section 129B.04, is amended by adding a subdivision to read:

Subd. 3. [DECLINING GRANT AMOUNTS.] A grant awarded by the council on quality education shall be limited to three years. The grant amount for the third year of a program shall not exceed 50 percent of the grant amount for the first year. Prior to awarding a grant the council shall notify an applicant that it is expected to continue successful programs after the third year.

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

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

The joint school board may each year, for the purpose of paying any administrative, planning, operating, or capital expenses incurred or to be incurred for area vocational technical schools, certify to each participating school district the tax levy specified in section 275.125, subdivision 13, clause (2). Additional tax levies may be certified which shall not in any year exceed .6 mills on each dollar of adjusted assessed valuation for special education and .7 mills on each dollar of adjusted assessed valuation for expenses for secondary vocational education *provided, however, if the members of the board of the intermediate district have entered an education district according to section 5 and developed a comprehensive plan for learning pursuant to section 5, subdivision 3, the proceeds of these additional levies may be used for any expense of implementing the plan.* Each participating school district shall include such tax levies in the next tax roll which it shall certify to the county auditor or auditors, and shall remit the collections of such levies to the board promptly when received. Such levies shall not be included in computing the limitations upon the levy of any district under sections 124A.03, 124A.06, subdivision 3a, 124A.08, subdivision 3a, 124A.10, subdivision 3a, 124A.12, subdivision 3a, 124A.14, subdivision 5a, and 275.125. The board may, any time after such levies have been certified to the participating school districts, issue and sell certificates of indebtedness in anticipation of the collection of such levies, but in aggregate amounts such as will not exceed the portion of the levies which is then not collected and not delinquent.

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

Subd. 2. [TAX LEVY.] The intermediate school board may in each year for the purpose of paying any administrative, planning, operating, or capital expenses incurred or to be incurred certify to each county auditor of each county in which said intermediate school district shall lie, as a single taxing district, the tax levy specified in section 275.125, subdivision 13, clause (2). Additional tax levies may be certified which shall not in any year exceed .6 mills on each dollar of adjusted assessed valuation for expenses for special

education and .5 mills on each dollar of adjusted assessed valuation for expenses for secondary vocational education *provided, however, if the members or the board of the intermediate district have entered an education district according to section 5 and developed a comprehensive plan for learning pursuant to section 5, subdivision 3, the proceeds of these additional levies may be used for any expense of implementing the plan.* Said annual tax levies shall be certified pursuant to section 124.02. Upon such certification the county auditor or auditors and other appropriate county officials shall levy and collect such levies and remit the proceeds of collection thereof to the intermediate school district as in the case with independent school districts. Such levies shall not be included in computing the limitations, if any, upon the levy of the intermediate district or any of the participating districts under sections 124A.03, 124A.06, subdivision 3a, 124A.08, subdivision 3a, 124A.10, subdivision 3a, 124A.12, subdivision 3a, 124A.14, subdivision 5a, and 275.125.

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

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

The joint school board may each year, for the purpose of paying any administrative, planning, operating, or capital expenses incurred or to be incurred for area vocational technical schools, certify to each participating school district the tax levy specified in section 275.125, subdivision 13, clause (2). Additional tax levies may be certified which shall not in any year exceed .6 mills on each dollar of adjusted assessed valuation for expenses for special education and .5 mills on each dollar of adjusted assessed valuation for expenses for secondary vocational education *provided, however, if the members or the board of the intermediate district have entered an education district according to section 5 and developed a comprehensive plan for learning pursuant to section 5, subdivision 3, the proceeds of these additional levies may be used for any expense of implementing the plan.* Each participating school district shall include such tax levies in the next tax roll which it shall certify to the county auditor or auditors, and shall remit the collections of such levies to the board promptly when received. Such levies shall not be included in computing the limitations upon the levy of any district under sections 124A.03, 124A.06, subdivision 3a, 124A.08, subdivision 3a, 124A.10, subdivision 3a, 124A.12, subdivision 3a, 124A.14, subdivision 5a, and 275.125. The board may, any time after such levies have been certified to the participating school districts, issue and sell certificates of indebtedness in anticipation of the collection of such levies, but in aggregate amounts such as will not exceed the portion of the levies which is then not collected and not delinquent.

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

Subd. 8c. [EDUCATION DISTRICT LEVY.] Each year, a district that is eligible for revenue pursuant to section 5, subdivision 9, may levy the amount of the estimated cost to the district of the education district program for the year to which the levy is attributable, but the levy shall not exceed the lesser of:

(1) \$52.25 times the actual pupil units for that year;

(2) \$52,250; or

(3) one mill times the adjusted assessed valuation of the district for the preceding year. In 1985, a district may certify an education district levy if it certifies to the department of education its interest to develop a plan according to section 5, subdivision 3, and to be part of an education district for the 1986-1987 school year. The proceeds of the levy may only be used to pay for costs of cooperation incurred in providing the programs resulting from the education district plan.

Sec. 13. Minnesota Statutes 1984, section 275.125, subdivision 11a, is amended to read:

Subd. 11a. [CAPITAL EXPENDITURE LEVY.] (a) Each year a school district may levy an amount not to exceed the amount equal to \$90 per total pupil unit, or \$95 per total pupil unit in districts where the number of actual pupil units has increased from the prior year. No levy under this clause shall exceed ~~seven~~ three mills times the adjusted assessed valuation of the taxable property in the district for the preceding year.

(b) The proceeds of the levy may be used to acquire land, to equip and re-equip buildings and permanent attached fixtures, to rent or lease buildings for school purposes, to purchase textbooks, to purchase and lease computer systems hardware, software, and related supporting materials to support software, and to purchase or lease photocopy machines and telecommunications equipment. The proceeds may also be used for capital improvement and repair of school sites, buildings and permanent attached fixtures, energy assessments, 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, such as those described in section 429.101, whether levied pursuant to that section or pursuant to any other law or home rule provision. The proceeds may also be used for capital expenditures to reduce or eliminate barriers to or increase access to school facilities by handicapped individuals. The proceeds may also be used to make capital improvements to schoolhouses to be leased pursuant to section 123.36, subdivision 10. The proceeds may also be used to pay fees for capital expenditures assessed and certified to each participating school district by the educational cooperative service unit board of directors. The proceeds may also be used to pay principal and interest on loans from the state authorized by sections 116J.37 and 298.292 to 298.298.

(c) Subject to the commissioner's approval, the proceeds may also be used 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 acquisition or construction of buildings. The approval criteria for purposes of building acquisition and construction shall include: the appropriateness of the proposal for 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 levy shall not be used for custodial or other main-

tenance services.

(f) Each year, subject to the ~~seven~~ mill limitation of clause (a) of this subdivision, a school district which operates an approved secondary vocational education program or an approved senior secondary industrial arts program may levy an additional amount equal to \$5 per total pupil unit for capital expenditures for equipment for these programs.

Sec. 14. Minnesota Statutes 1984, section 275.125, is amended by adding a subdivision to read:

Subd. 11d. [ADDITIONAL CAPITAL EXPENDITURE LEVY.] In addition to the levy authorized in subdivisions 11a, 11b, and 11c, each year a district may levy an amount not to exceed the amount equal to \$30 per total pupil unit. The levy under this subdivision shall not exceed 2.4 mills times the adjusted assessed valuation of the property in the district for the preceding year. The proceeds of the tax shall be placed in the district's capital expenditure fund and may be used only for expenditures for which the levy in subdivision 11a may be used.

Sec. 15. Minnesota Statutes 1984, section 354.66, subdivision 3, is amended to read:

Subd. 3. For purposes of this section, the term "part time teaching position" shall mean a teaching position within the district in which the teacher is employed for at least 50 full days or a fractional equivalent thereof as prescribed in section 354.091, and for which the teacher is compensated in an amount not exceeding 60 67 percent of the compensation established by the board for a full time teacher with identical education and experience within the district.

Sec. 16. Minnesota Statutes 1984, section 354A.094, subdivision 2, is amended to read:

Subd. 2. For purposes of this section, the term "part time teaching position" shall mean a teaching position within the district in which the teacher is employed for at least 50 full days or a fractional equivalent of 50 full days calculated using the appropriate minimum number of hours which would result in a full day of service credit by the appropriate association and for which the teacher is compensated in an amount not to exceed 60 67 percent of the compensation rate established by the board for a full time teacher with identical education and experience within the district.

Sec. 17. [MOUNTAIN IRON-BUHL SCHOOL DISTRICT; ADDITIONAL EXPENSES OF TRANSITION.]

In addition to the expenses specified in section 122.533, independent school district No. 712 may levy the following in 1985:

(a) An amount not to exceed \$63,000 for additional teacher salary expenses incurred as a result of the operation of section 122.532, the proceeds of this levy to be placed in the general fund of the district; and

(b) An amount not to exceed \$50,000 for the cost of new uniforms for the various athletic teams, bands and choirs in the new district, the proceeds of this levy to be placed in the capital expenditure fund of the district.

Sec. 18. [SPECIAL LEVY.]

In addition to the levy authorized by section 275.125, subdivision 11a, independent school district No. 457, Trimont, may levy in 1985 an amount up to \$75,000 for capital expenditures. The proceeds of the levy may be used only to replace blacktop on the school parking lot.

By July 15, 1985, the school board shall hold a public hearing on the need for the proposed levy. Upon receipt, within 30 days after the hearing, of a petition objecting to the levy 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 most recent school board election, the board shall hold a referendum on the proposed levy. The referendum shall be held on the date set by the board but no later than October 1, 1985. If a valid petition is not received by the school board, within 30 days after the hearing, no referendum need be held.

Sec. 19. [GIFTED PROGRAM STUDY.]

The department of education shall study and make recommendations about the following:

(1) an assessment of present programs in gifted education and pupils served;

(2) a determination of the essential elements of a quality education for gifted pupils;

(3) appropriate roles for the state, school districts, and community in educating gifted pupils;

(4) funding structures at the state and district level;

(5) state policies for gifted education; and

(6) an implementation plan, including short- and long-range goals, with evaluation of progress toward achieving the goals.

By January 15, 1987, the department shall report its recommendations to the education committees of the legislature.

Sec. 20. [DEPARTMENT OF EDUCATION 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:

\$886,700 _____ 1986,

\$955,200 _____ 1987.

The appropriation for fiscal year 1986 includes \$121,000 for aid for fiscal year 1985 payable in fiscal year 1986 and \$765,700 for aid for fiscal year 1986 payable in fiscal year 1986.

The appropriation for fiscal year 1987 includes \$135,200 for aid for fiscal year 1986 payable in fiscal year 1987 and \$820,000 for aid for fiscal year 1987 payable in fiscal year 1987.

The appropriations are based on aid entitlements of \$900,900 for fiscal year 1986 and \$964,700 for fiscal year 1987.

Subd. 3. [ABATEMENT AID.] For abatement aid pursuant to section 124.214, subdivision 2, there is appropriated:

\$3,832,000 _____ 1986,

\$4,015,000 _____ 1987.

Subd. 4. [CAPITAL EXPENDITURE EQUALIZATION AID.] For capital expenditure equalization aid pursuant to section 124.245, subdivision 1, there is appropriated:

\$249,600 _____ 1986,

\$8,462,300 _____ 1987.

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

The appropriation for fiscal year 1987 includes \$37,900 for aid for fiscal year 1986 payable in fiscal year 1987 and \$8,424,400 for aid for fiscal year 1987 payable in fiscal year 1987.

The appropriations are based on aid entitlements of \$252,600 for fiscal year 1986 and \$9,911,000 for fiscal year 1987.

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

Subd. 5. [SPECIAL PURPOSE CAPITAL EXPENDITURE EQUALIZATION AID.] For special purpose capital expenditure equalization aid pursuant to section 124.245, subdivision 1a, there is appropriated:

\$45,800 _____ 1986,

\$57,600 _____ 1987.

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

The appropriation for fiscal year 1987 includes \$6,900 for aid for fiscal year 1986 payable in fiscal year 1987 and \$50,700 for aid for fiscal year 1987 payable in fiscal year 1987.

The appropriations are based on aid entitlements of \$46,300 for fiscal year 1986 and \$59,600 for fiscal year 1987.

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

Subd. 6. [HAZARDOUS SUBSTANCE CAPITAL EXPENDITURE EQUALIZATION AID.] For hazardous substance capital expenditure equalization aid pursuant to section 124.245, subdivision 1c, there is appropriated:

\$42,200 _____ 1986

\$57,000 _____ 1987.

The appropriation for fiscal year 1986 includes \$6,200 for aid for fiscal year 1985 payable in fiscal year 1986, and \$36,000 for aid for fiscal year 1986 payable in fiscal year 1986.

The appropriation for fiscal year 1987 includes \$6,300 for aid for fiscal year 1986 payable in fiscal year 1987 and \$50,700 for aid for fiscal year 1987 payable in fiscal year 1987.

The appropriations are based on aid entitlements of \$42,300 for fiscal year 1986 and \$59,600 for fiscal year 1987.

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

Subd. 7. [EDUCATIONAL COOPERATIVE SERVICE UNITS.] For educational cooperative service units there is appropriated:

\$718,700 _____ 1986,

\$750,500 _____ 1987.

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

The appropriation for fiscal year 1987 includes \$108,400 for aid for fiscal year 1986 payable in fiscal year 1987 and \$642,100 for aid for fiscal year 1987 payable in fiscal year 1987.

The appropriations are based on aid entitlements of \$722,800 for fiscal year 1986 and \$755,400 for fiscal year 1987.

Funds from this appropriation shall be transmitted to ECSU boards of directors for general operations in the amount of \$65,707 per ECSU for fiscal year 1986 and \$68,664 per ECSU for fiscal year 1987; however, the ECSU whose boundaries coincide with the boundaries of development region 11 and the ECSU whose boundaries encompass development regions six and eight shall each receive \$131,414 for fiscal year 1986 and \$137,328 for fiscal year 1987 for general operations.

The department may withhold all or a portion of these funds from an ECSU if the department determines that an ECSU has not developed an annual plan according to section 123.58, subdivision 8, or if the department determines the ECSU is not providing services according to its annual plan. If funds are withheld from an ECSU, the department may allocate the funds to other regional service providers or to a school district or group of districts providing services to districts within the ECSU region.

Subd. 8. [SCHOOL LUNCH AND FOOD STORAGE AID.] For school lunch aid pursuant to section 124.646 and for food storage and transportation costs for USDA donated commodities there is appropriated:

\$4,625,000 _____ 1986,

\$4,625,000 _____ 1987.

Any unexpended balance remaining from the appropriations in this sub-

division shall be prorated among participating schools based on the number of fully paid lunches served during that school year in order to meet the state revenue matching requirement of the USDA National School Lunch Program.

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

Subd. 9. [INTERDISTRICT COOPERATION AID.] For aid for inter-district cooperation programs there is appropriated:

\$1,494,300 _____ 1986,

\$ 231,000 _____ 1987.

The appropriation for fiscal year 1986 includes \$187,100 for aid for fiscal year 1985 payable in fiscal year 1986 and \$1,307,200 for aid for fiscal year 1986 payable in fiscal year 1986. The appropriation for fiscal year 1987 is for aid for fiscal year 1986 payable in fiscal year 1987. The appropriations are based on aid entitlements of \$1,537,900 in fiscal year 1986 and \$0 in fiscal year 1987.

Subd. 10. [EDUCATION DISTRICT AID.] For aid for education districts there is appropriated:

\$1,878,500 _____ 1987.

This appropriation is based on an aid entitlement of \$2,210,000 for the fiscal year 1987.

Subd. 11. [EDUCATION DISTRICT PLANNING AID.] For planning assistance offered by the educational cooperative service units for education districts there is appropriated:

\$110,000 _____ 1986.

The sum is based on a maximum allocation of \$10,000 per ECSU; however, the maximum allocation is \$20,000 for the metropolitan ECSU and the southwest-west central ECSU. The department shall allocate this appropriation to the ECSUs as a reimbursement for actual costs incurred in providing planning services pursuant to this act and the amount paid to each ECSU shall not exceed the actual costs.

Subd. 12. [GIFTED AND TALENTED STUDENTS.] For programs for the gifted and talented pursuant to section 124.247 there is appropriated:

\$1,426,000 _____ 1986,

\$1,623,500 _____ 1987.

The appropriation for aid for fiscal year 1986 includes \$99,000 for aid for fiscal year 1985 payable in fiscal year 1986 and \$1,327,000 for aid for fiscal year 1986 payable in fiscal year 1986.

The appropriation for fiscal year 1987 includes \$234,100 for aid for fiscal year 1986 payable in fiscal year 1987 and \$1,389,400 for aid for fiscal year 1987 payable in fiscal year 1987.

The appropriations are based on aid entitlements of \$1,561,100 for fiscal

year 1986 and \$1,634,500 for fiscal year 1987.

Subd. 12a. [GIFTED STUDY.] For the gifted education program study there is appropriated:

\$35,000 _____ 1986.

The appropriation is available until June 30, 1987.

Subd. 13. [NONPUBLIC AIDS.] For programs for nonpublic educational aid pursuant to sections 123.931 to 123.947 there is appropriated:

\$6,763,400 _____ 1986,

\$7,184,100 _____ 1987.

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

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

The appropriations are based on aid entitlements of \$6,826,700 for fiscal year 1986 and \$7,247,200 for fiscal year 1987.

Subd. 14. [INDIAN EDUCATION.] For certain Indian education programs there is appropriated:

\$167,872 _____ 1986,

\$175,304 _____ 1987.

The appropriation for aid for fiscal year 1986 includes \$24,352 for aid for fiscal year 1985 payable in fiscal year 1986 and \$143,520 for aid for fiscal year 1986 payable in fiscal year 1986.

The appropriation for fiscal year 1987 includes \$25,326 for aid for fiscal year 1986 payable in fiscal year 1987 and \$149,978 for aid for fiscal year 1987 payable in fiscal year 1987.

The appropriations are based on aid entitlements of \$168,846 for fiscal year 1986 and \$176,444 for fiscal year 1987.

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 may be distributed to the following school districts for fiscal year 1986: \$52,993 to independent school district No. 309-Pine Point School; \$9,358 to independent school district No. 166; \$14,444 to independent school district No. 432; \$13,578 to independent school district No. 435; \$40,737 to independent school district No. 707; and \$37,736 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.

Up to the following amounts may be distributed to the following school

districts for fiscal year 1987: \$55,378 to independent school district No. 309-Pine Point School; \$9,779 to independent school district No. 166; \$15,094 to independent school district No. 432; \$14,189 to independent school district No. 435; \$42,570 to independent school district No. 707; and \$39,434 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 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 Number 73-167 or 25 Code of Federal Regulations 273.31, or equivalent money from the same or another source.

Before a district can receive moneys pursuant to this subdivision, the district must submit to the commissioner of education evidence that it has:

(a) 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 this subdivision and one budget which does not include these moneys. The budget of that school district for the 1987-1988 school year prepared according to section 121.908, subdivision 3a, shall be submitted to the commissioner of education at the same time as 1986-1987 budgets and shall not include any moneys appropriated in this subdivision;

(b) 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 Number 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

(c) compiled accurate daily pupil attendance records.

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 clauses (a), (b), and (c), 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. 15. [CHEMICAL USE PROGRAMS.] For aid for chemical dependency programs authorized pursuant to section 124.246 there is appropriated:

\$1,055,200 _____ 1986,

\$1,100,900 _____ 1987.

The appropriation for fiscal year 1986 includes \$153,900 for aid for fiscal year 1985 payable in fiscal year 1986 and \$901,300 for aid for fiscal year 1986 payable in fiscal year 1986.

The appropriation for fiscal year 1987 includes \$160,000 for aid for fiscal year 1986 payable in fiscal year 1987 and \$940,900 for aid for fiscal year 1987 payable in fiscal year 1987.

The appropriations are based on aid entitlements of \$1,061,300 for fiscal

year 1986 and \$1,107,000 for fiscal year 1987.

Subd. 16. [MAXIMUM EFFORT SCHOOL LOAN FUND.] For the maximum effort school loan fund there is appropriated:

\$2,390,300 _____ 1986,

\$2,585,800 _____ 1987.

Any unexpended balance of this appropriation for fiscal year 1986 shall not cancel but shall be available for the second year of the biennium.

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

Subd. 17. [SECONDARY VOCATIONAL EDUCATION AID.] For secondary vocational education aid pursuant to section 124.573 there is appropriated:

\$20,422,400 _____ 1986,

\$20,000,000 _____ 1987.

The appropriation for 1986 includes \$2,422,400 for aid for fiscal year 1985 payable in fiscal year 1986. This amount also includes \$17,000,000 for aid for fiscal year 1986 payable in fiscal year 1986.

The appropriation for 1987 includes \$3,000,000 for aid for fiscal year 1986 payable in fiscal year 1987. This amount also includes \$17,000,000 for aid for fiscal year 1987 payable in fiscal year 1987.

The appropriations are based on aid entitlements of \$20,000,000 for fiscal year 1986 and \$20,000,000 for fiscal year 1987.

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

Subd. 18. [COUNCIL ON QUALITY EDUCATION; VENTURE FUND GRANTS.] For the council on quality education venture fund grants pursuant to sections 129B.01 to 129B.05, there is appropriated:

\$843,800 _____ 1986,

\$881,200 _____ 1987.

The appropriation for fiscal year 1986 includes \$122,400 for grants for fiscal year 1985 payable in fiscal year 1986 and \$721,400 for grants for fiscal year 1986 payable in fiscal year 1986.

The appropriation for fiscal year 1987 includes \$127,300 for grants for fiscal year 1986 payable in fiscal year 1987 and \$753,900 for grants for fiscal year 1987 payable in fiscal year 1987.

Any unexpended balance remaining from the appropriations in this subdivision for 1986 shall not cancel and shall be available for the second year of the biennium.

The appropriations are based on grant entitlements of \$848,700 for fiscal year 1986 and \$886,900 for fiscal year 1987.

Subd. 19. [EXTENDED LEAVES OF ABSENCE.] To meet the state's obligation prescribed in sections 354.094 and 354A:091 there is appropriated:

\$938,000 _____ 1986,

\$602,000 _____ 1987.

Subd. 20. [PART-TIME TEACHING.] To meet the state's obligation prescribed in sections 354.66 and 354A.094 there is appropriated:

\$118,000 _____ 1986.

Subd. 21. [STATE MATCHING GRANT.] For a grant for a leadership program in independent school district No. 695, Chisholm, there is appropriated:

\$60,000 _____ 1986.

The sum shall be available until June 30, 1987.

The department shall pay the grant amount only if a federal matching grant is awarded to the district.

Subd. 22. [SCHOOL BUS.] For independent school district No. 707, Nett Lake, to purchase a school bus there is appropriated:

\$40,000 _____ 1986.

Subd. 23. [PRORATION.] Except as provided in section 124.14, subdivision 7, 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 plus the amount of any transfers made according to section 124.14, subdivision 7, is insufficient, the aid for that year shall be prorated among all qualifying districts and the state shall not be obligated for any additional amount for these purposes.

Sec. 21. [DEPARTMENT OF ECONOMIC SECURITY APPROPRIATION.]

There is appropriated from the general fund to the department of economic security the sum indicated in this section for the fiscal year ending June 30 in the year designated to pay the obligation of independent school district No. 707, Nett Lake, for unemployment compensation:

\$40,000 _____ 1986.

The sum shall be available until June 30, 1987.

Sec. 22. [APPROPRIATIONS FOR DEFICIENCY.]

Subdivision 1. There is appropriated from the general fund to the department of education the sums indicated in this section for the fiscal years indicated for the payment of deficiencies in funds available for the purposes indicated. These sums shall be added to the sums appropriated for fiscal year 1985 for the same purposes.

Subd. 2. For abatement aid deficiency according to section 124.214 there is appropriated:

\$1,798,500 _____ 1985.

Subd. 3. For capital expenditure aid deficiency according to section 124.245, subdivision 1, there is appropriated:

\$18,800 _____ 1985.

Subd. 4. For chemical dependency aid deficiency according to section 124.246 there is appropriated:

\$12,900 _____ 1985.

Subd. 5. For secondary vocational aid deficiency according to section 124.573 there is appropriated:

\$1,105,000 _____ 1985.

Sec. 23. [REPEALER.]

Minnesota Statutes 1984, sections 123.705, subdivision 2; 124.247, subdivision 6; and 275.125, subdivision 8a, are repealed.

Minnesota Statutes 1984, section 124.272, is repealed June 30, 1986, and any aids attributable to the 1985-1986 school year payable in fiscal year 1987 shall be paid.

Minnesota Statutes 1984, section 124.245, subdivision 1, as amended by section 4, is repealed July 1, 1986.

Sec. 24. [EFFECTIVE DATE.]

The provisions of section 4, subdivisions 2, 3, 4, and 5, as amended, are effective for aid paid for the 1986-1987 school year and thereafter.

Section 22 is effective the day following final enactment.

ARTICLE 7

MISCELLANEOUS

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

Subdivision 1. [AGE LIMITATIONS; PUPILS.] All schools supported in whole or in part by state funds are public schools. Admission to a public school, except an area vocational technical institute, is free to any person who resides within the district which operates the school, who is under 21 years of age, and who satisfies the minimum age requirements imposed by this section. Notwithstanding the provisions of any law to the contrary, the conduct of all students under 21 years of age attending a public secondary school shall be governed by a single set of reasonable rules and regulations promulgated by the local school board of education. No person shall be ad-

mitted to any public school after September 1, 1971, (1) as a kindergarten ~~student pupil~~, unless ~~he the pupil~~ is at least five years of age on September 1 of the calendar year in which the school year for which ~~he the pupil~~ seeks admission commences; or (2) as a first grade student, unless ~~he the pupil~~ is at least six years of age on September 1 of the calendar year in which the school year for which ~~he the pupil~~ seeks admission commences or has completed kindergarten; except that any school board may establish a policy for admission of selected pupils at an earlier age.

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

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

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

120.11 [SCHOOL BOARDS AND TEACHERS, DUTIES.]

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

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

120.15 [CLASSES FOR TRUANTS.]

A board may maintain ungraded classes for ~~the~~ instruction of children ~~between seven and 16 years of age who are required to attend school and~~ who are habitually truant or not in attendance.

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

Sec. 5. [121.161] [SHARED SERVICE AGREEMENTS.]

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

Charges by the department and the other agency must be on an actual cost basis, and the receipts are dedicated to the operation of the department or agency receiving them and are appropriated for that purpose.

Sec. 6. [121.9121] [EXCEPTIONS FOR PERMANENT FUND TRANSFERS.]

Subdivision 1. [STATE BOARD AUTHORIZATION.] The state board may authorize a board to transfer money from any fund or account to another fund or account according to this section.

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

Subd. 3. [ADVISORY COUNCIL.] The state board shall submit each application to the advisory council on uniform financial accounting and reporting standards for its recommendations. The advisory council shall develop and maintain guidelines for reviewing and approving requests.

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

Subd. 5. [APPROVAL.] The state board shall use the advisory council guidelines and recommendation when it approves, disapproves, or modifies a request. It shall take action on a request within 90 days of receiving the request. If the state board action is different from the action recommended by the advisory council, the state board shall provide written reasons for the difference.

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

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

Sec. 7. Minnesota Statutes 1984, section 121.931, subdivision 7, is amended to read:

Subd. 7. [APPROVAL POWERS.] The state board, with the advice and assistance of the ESV computer council, shall approve or disapprove the following, according to the criteria in section 121.937 and ~~after promulgation, the rules adopted pursuant to subdivision 8:~~

(a) the creation of regional management information centers pursuant to section 121.935;

(b) the transfer by a district of its affiliation from one regional management information center to another;

(c) the use by a district of ~~an alternative~~ a management information system ~~to other than the~~ ESV-IS subsystem through the regional management infor-

mation center or a state board approved alternative system pursuant to section 121.936, subdivisions 2 to 4; and

(d) annual and biennial plans and budgets submitted by regional management information centers pursuant to section 121.935, subdivisions 3 and 4.

Sec. 8. Minnesota Statutes 1984, section 121.936, subdivision 1, is amended to read:

Subdivision 1. [MANDATORY PARTICIPATION.] (a) ~~By July 1, 1980,~~ Every district shall perform financial accounting and reporting operations on a financial management accounting and reporting system utilizing multi-dimensional accounts and records defined in accordance with the uniform financial accounting and reporting standards adopted by the state board pursuant to sections 121.90 to 121.92.

(b) ~~By July 1, 1980,~~ Every school district shall be affiliated with one and only one regional management information center. This affiliation shall include at least the following components:

(1) The center shall provide reports to the department of education for the district to the extent required by the data acquisition calendar;

(2) The district shall ~~use process every detailed financial transaction using, at the district's option, either the ESV-IS finance subsystem through the center or an alternative system approved by the state board to process every detailed financial transaction of the district.~~

Notwithstanding the foregoing, a district may process and submit its financial data to a region or the state in summary form if it operates an approved alternative system or participates in a state approved pilot test of an alternative system.

(c) The provisions of this subdivision shall not be construed to prohibit a district from purchasing services other than those described in clause (b) from a center other than the center with which it is affiliated pursuant to clause (b).

Districts operating an approved alternative system or participating in a state approved pilot test of an alternative financial system shall purchase finance system services from any region if the region of affiliation does not offer alternative system support services.

Sec. 9. Minnesota Statutes 1984, section 121.936, subdivision 2, is amended to read:

Subd. 2. [ALTERNATIVE 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 another~~ 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 subdivision 1a, clause (b) 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~~ another 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. 10. Minnesota Statutes 1984, section 122.86, subdivision 1, is amended to read:

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

Sec. 11. Minnesota Statutes 1984, section 123.36, subdivision 1, is amended to read:

Subdivision 1. When funds are available therefor, the board may locate and acquire necessary sites of school houses or enlargements, or additions to existing schoolhouse sites by lease, purchase or condemnation under the right of eminent domain; it may erect schoolhouses thereon; it may erect or purchase garages for district owned school buses. ~~In any city, the school sites, when practicable, shall contain at least one block and if outside of any city, two acres; and when any schoolhouse sites shall contain less than such amount, the board may acquire other land adjacent to or near such site to make, with such site, all or part of such amount.~~ When property is taken by eminent domain by authority of this subdivision when needed by the school district for such purposes, the fact that the property so needed has been acquired by the owner under the power of eminent domain or is already devoted to public use, shall not prevent its acquisition by the school district. The board may sell or exchange schoolhouses or sites, and execute deeds of conveyance thereof.

Sec. 12. Minnesota Statutes 1984, section 123.39, is amended by adding a subdivision to read:

Subd. 4a. If teaching positions are discontinued as a result of action under subdivision 4, and it is necessary to place continuing contract teachers on unrequested leave of absence, the teachers shall be placed on unrequested leave of absence in fields in which they are licensed in the inverse order in which they were employed, according to a combined seniority list of all teachers from both districts.

Sec. 13. Minnesota Statutes 1984, section 124.09, is amended to read:

124.09 [SCHOOL ENDOWMENT FUND, APPORTIONMENT.]

The school endowment fund shall be apportioned semiannually by the state board, on the first Monday in March and October in each year, to districts whose schools have been in session at least nine months. The apportionment shall be in proportion to the number of pupils ~~between the ages of five and twenty-one years who shall have been~~ in average daily membership during the

preceding year; provided, that apportionment shall not be paid to a district for pupils for whom tuition is received by the district.

Sec. 14. Minnesota Statutes 1984, section 124.19, subdivision 5, is amended to read:

Subd. 5. [SCHEDULE ADJUSTMENTS.] (a) It is the intention of the legislature to encourage efficient and effective use of staff and facilities by school districts. School districts are encouraged to consider both cost and energy saving measures.

(b) Notwithstanding the provisions of subdivision 1 or 4, any district, including a district operating a program pursuant to sections 120.59 to 120.68 120.67 or 129B.42 to 129B.47, may adjust the annual school schedule throughout the calendar year so long as the number of instructional hours in the year is not less than the number specified in the rules of the state board.

Sec. 15. [124.248] [HEALTH AWARENESS PROGRAMS.]

Subdivision 1. [PURPOSE AND POLICY DEVELOPMENT.] The legislature finds that the development of local policies and programs to promote health awareness and healthy lifestyles among all elementary and secondary pupils and staff in a district is essential. Therefore, the legislature encourages every district to develop a health awareness policy and an instructional program which addresses at least the following:

- (1) promoting health fitness;*
- (2) improving health-related attitudes early in life to reduce health risk behaviors;*
- (3) improving nutrition and diet habits;*
- (4) enhancing pupils' self-esteem regarding their physical and mental health;*
- (5) facilitating fitness and healthy attitudes and behaviors in school personnel; and*
- (6) responding to identifiable existing health problems.*

Subd. 2. [ADVISORY COMMITTEE.] Every district is encouraged to establish a health program advisory committee or to use an existing citizens' advisory committee, such as the planning, evaluation and reporting advisory committee, to assist in developing the policy and programs specified in subdivision 1. The advisory committee shall be broadly representative of the school district and shall include teachers, health professionals, parents, and other members of the community.

Subd. 3. [TECHNICAL ASSISTANCE.] The department of education shall provide technical assistance to school boards that request its assistance.

Sec. 16. Minnesota Statutes 1984, section 124.76, subdivision 2, is amended to read:

Subd. 2. Public sale of tax and aid anticipation certificates of indebtedness according to subdivision 1 shall not be required (1) if the proposed borrowing is in an amount less than \$400,000, and if the sum of all outstanding tax and aid anticipation certificates issued by the board within the preceding six

months does not exceed \$400,000 or, (2) if the certificates mature no later than 12 months after their date of issue. If no public sale is held, the certificates of indebtedness ~~must~~ may be sold in accordance with the most favorable of two or more proposals solicited privately or the interest rates may be determined by direct negotiation.

Sec. 17. Minnesota Statutes 1984, section 125.05, is amended by adding a subdivision to read:

Subd. 6. [LIMITED PROVISIONAL LICENSE.] The board of teaching may issue a provisional license according to this subdivision. A provisional license valid for two years and not renewable may be issued for a new or emerging field in which there is no license and for a field in which the board determines there is an insufficient number of licensed teachers available to teach. The board may also issue a provisional license valid for one year and not renewable for a particular field of licensure when a school board notifies the board of teaching that there is an insufficient number of licensed teachers, within the staff of the district, available to teach in that particular field.

Sec. 18. Minnesota Statutes 1984, section 125.12, is amended by adding a subdivision to read:

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

Sec. 19. Minnesota Statutes 1984, section 125.60, subdivision 3, is amended to read:

Subd. 3. [REINSTATEMENT.] Except as provided in subdivisions 6a and 6b, a teacher on an extended leave of absence pursuant to this section shall have the right to be reinstated to a position for which the teacher is licensed at the beginning of any school year which immediately follows a year of the extended leave of absence, unless the teacher fails to give the required notice of intention to return or is discharged or placed on unrequested leave of absence or the contract is terminated pursuant to section 125.12 or 125.17 while the teacher is on the extended leave. The board shall not be obligated to reinstate any teacher who is on an extended leave of absence pursuant to this section, unless the teacher advises the board of the intention to return before February 1 in the school year preceding the school year in which the teacher wishes to return or by February 1 in the calendar year in which the leave is scheduled to terminate. The board shall notify the commissioner within 30 days of being notified that a teacher intends to return from an extended leave.

Sec. 20. Minnesota Statutes 1984, section 298.24, subdivision 3, is amended to read:

Subd. 3. (a) A credit in the amount of not to exceed four cents per gross ton of taxable iron ore concentrate produced shall be allowed against the tax

imposed by subdivision 1, with respect to the production of iron ore concentrate from taconite plants which, together with the lands upon which they are located and lands used in connection with the mining, quarrying and concentration of taconite and buildings, machinery, equipment and other fixtures used in the production of taconite, and notwithstanding the provisions of section 298.25, have by law been made subject to direct taxes for the payment of principal and interest on bonds issued by a school district or city.

(b) Notwithstanding clause (a), a credit of not to exceed seven cents shall be allowed a producer for the payment of taxes for bonds, and interest on them, issued by Independent School District 703, for which the producer's property has been made subject to direct taxes.

(c) *Notwithstanding clause (a), a credit of not to exceed four cents shall be allowed a producer for the payment of taxes for bonds, and interest on them, issued by independent school district No. 701, Hibbing, for which the producer's property has been made subject to direct taxes.*

(d) The credit allowed in this subdivision shall be allowed against taxes payable in the calendar years following the issuance and sale of the bonds until the total credit allowed in all years equals the total liability of the producer for direct taxes for the payment of the bonds and interest. If necessary to equal the total liability of the producer, the credit may be taken in years after the years when the taxes for the bond principal and interest were paid.

The amount of credit allowable hereunder in any year with respect to production from any plant subjected to direct taxes shall not exceed the amount of the direct taxes levied in the prior year against the plant for the bonds and interest and the indebtedness secured thereby, except if the credit allowed does not equal the amount levied in the prior year, then the unused credits of prior years may be used for the deficiency.

Sec. 21. Laws 1973, chapter 683, section 26, as amended by Laws 1981, chapter 358, article 6, section 40, is amended to read:

Subd. 2a. [SCHOOL ADMINISTRATION; TRANSFER OF AUTHORITY.] The care, management, and control of the experimental school in Independent School District No. 309 is ~~transferred from the Indian education committee as defined in subdivision 2, to vested in the White Earth reservation business committee tribal council.~~ The Indian education committee, as defined in subdivision 2, shall serve in an advisory capacity to the White Earth reservation ~~business committee tribal council and may exercise the powers or duties delegated to it by the White Earth reservation tribal council.~~ For purposes of this section, "committee" means the White Earth reservation ~~business committee tribal council.~~ The White Earth reservation ~~business committee tribal council~~ is eligible to receive federal aid to Indians pursuant to section 124.64. Notwithstanding any law to the contrary, the experimental school shall be considered a public school.

Sec. 22. Laws 1973, chapter 683, section 26, subdivision 17, as amended by Laws 1975, chapter 432, section 88, as amended by Laws 1977, chapter 447, article VII, section 28, as amended by Laws 1981, chapter 358, article 6, section 42, is amended to read:

Subd. 17. ~~The provisions of This section shall expire is repealed July 1, 1985 1989.~~ At any time before that date 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. 23. [CONSOLIDATION FEASIBILITY STUDY.]

The department of education shall study the feasibility of and develop alternate methods of financing construction costs for a secondary school based on the assumption that more than three school districts would consolidate. The study shall include the effect on district property taxes, an appropriate share paid by the school districts, credits paid to school districts, other local sources of funding, and any other financing methods. The department shall report its recommendations to the education committees of the legislature by January 15, 1986.

Sec. 24. [INDEPENDENT SCHOOL DISTRICT NO. 701; BONDS.]

Subdivision 1. Commencing with taxes payable in 1986, the commissioner of revenue shall deduct and annually pay to independent school district No. 701, Hibbing, an amount equal to four cents per gross ton of taxable iron concentrate produced but not less than \$400,000 annually from the taxes paid pursuant to Minnesota Statutes, sections 298.23 to 298.28 by a person, corporation, partnership, operator, joint venture, or other owner of a taconite plant and taconite properties located within the school district. The deduction shall be made from the amount which would otherwise have been distributed to the northeast Minnesota economic protection fund in the apportionment fund in the state treasury under Minnesota Statutes, section 298.28, subdivision 1. A sum is annually appropriated to the commissioner from the proceeds of the taxes sufficient to make the payments required by this section.

Subd. 2. If the producer described in subdivision 1 ceases operations or decreases its operations so that the amount of the deduction of four cents per gross ton of concentrate produced is insufficient to raise \$400,000 annually, then the difference between the deduction of four cents per gross ton of concentrate produced and \$400,000 shall be paid as provided in Minnesota Statutes, section 298.225.

Subd. 3. The deduction and payment provided in subdivisions 1 and 2 shall terminate upon maturity or payment of the last of those bonds.

Sec. 25. [AUTHORIZATION OF BONDS AND TAX LEVIES.]

Subdivision 1. [AMOUNT; PROCEDURE.] Independent school district No. 706, Virginia, may issue bonds in an aggregate principal amount not exceeding \$3,225,000, in addition to any bonds already issued or authorized, to finance the acquisition and betterment of school buildings and facilities. Except as permitted by this section, the bonds shall be authorized, sold, and issued in accordance with Minnesota Statutes, chapter 475, except that no election shall be required to authorize their issuance except as provided in subdivision 2, and the bonds shall not constitute net debt within the meaning of Minnesota Statutes, section 475.53.

Subd. 2. [NOTICE; ELECTION.] Prior to the issuance of the bonds, the

school board shall publish in the official newspaper of the district a resolution authorizing their issuance, and if within ten days after such publication there is filed with the school district clerk a petition requesting an election on the proposition of issuing the bonds signed by qualified voters in number equal to ten percent of the number of qualified voters voting at the last general election in the district, the bonds shall not be issued unless and until such proposition has been approved by a majority of the votes cast thereon at a regular or special election.

Subd. 3. [LEVY.] After the sale and before the delivery of any bonds under authority of this section, the school board shall, by resolution, levy upon all taxable property in the school district a direct, general ad valorem tax for each year of the term of the bonds in amounts which, if collected in full and added to the minimum amounts required to be paid to the district under section 26, subdivision 1, are sufficient to pay when due the principal of and interest on the bonds. A copy of the resolution shall be filed and the taxes levied shall be collected as specified in Minnesota Statutes, section 475.61. A resolution of the board levying taxes for the payment of the bonds and interest on them as authorized by this section and pledging the proceeds of the levies for the payment of the bonds and interest on them shall be deemed to be in compliance with the provisions of Minnesota Statutes, chapter 475 with respect to the levying of taxes for their payment.

Subd. 4. [DEFICIENCIES.] Bonds issued under authority of this section shall be general obligations of the school district, for which its full faith and credit and unlimited taxing powers shall be pledged. If there are any deficiencies in the collections of the taxes levied pursuant to subdivision 2 or in the amounts required to be paid to the district under section 26, subdivision 1, they shall be made good by general levies, not subject to limit, on all taxable property in the district in accordance with Minnesota Statutes, section 475.74. If any deficiency levies are necessary, the school board may effect a temporary loan or loans on certificates of indebtedness issued in anticipation of them to meet payments of principal or interest on the bonds due or about to become due.

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

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

Sec. 26. [TRANSFER OF TACONITE TAXES.]

Subdivision 1. [PAYMENTS TO DISTRICT; APPROPRIATIONS.] Commencing with taxes payable in 1986, the commissioner of revenue shall deduct and pay to independent school district No. 706, Virginia, on or before October 1 of each year, an amount equal to 24 cents per gross ton of taxable iron concentrate produced or to 90 percent of the debt service coming due on or before the second following January 1 on all bonds issued by the district pursuant to section 25, whichever is greater, from the taxes paid pursuant to sections 298.23 to 298.28 by a person, corporation, partnership, operator,

joint venture, or other owner of a taconite plant and taconite properties located in the school district. The deduction shall be made from the amount which would otherwise have been distributed to northeast Minnesota economic protection fund in the apportionment fund in the state treasury under section 298.28, subdivision 1. A sum is annually appropriated to the commissioner from the proceeds of the taxes sufficient to make the payments required by this section.

Subd. 2. [PAYMENTS WHEN PRODUCTION DECREASES OR STOPS.] If the producer described in subdivision 1 ceases operations or decreases its operations so that the amount of the deduction of 24 cents per gross ton of concentrate produced is insufficient to raise the minimum amount required to be paid annually under subdivision 1, then the difference between the deduction of 24 cents per gross ton of concentrate produced and such minimum amount shall be paid as provided in section 298.225.

Subd. 3. [DEPOSIT AND USE OF FUNDS.] The revenue received pursuant to this section by independent school district No. 706, Virginia, shall be deposited in the bond redemption fund of the district and shall be used only to pay debt service on bonds issued pursuant to section 25.

Subd. 4. [TERMINATION.] The deduction and payment of taxes authorized in subdivisions 1 and 2 shall terminate upon the payment in full, or the discharge of the district's obligation to pay in full, the principal of and interest on all bonds issued pursuant to section 25.

Sec. 27. [AUTHORIZATION OF BONDS AND TAX LEVIES.]

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

Subd. 2. [NOTICE; ELECTION.] Prior to the issuance of the bonds, the school board shall publish in the official newspaper of the district a resolution authorizing their issuance, and if within ten days after such publication there is filed with the school district clerk a petition requesting an election on the proposition of issuing the bonds signed by qualified voters in number equal to ten percent of the number of qualified voters voting at the last general election in the district, the bonds shall not be issued unless and until such proposition has been approved by a majority of the votes cast thereon at a regular or special election.

Subd. 3. [LEVY.] After the sale and before the delivery of any bonds under authority of this section, the school board shall, by resolution, levy upon all taxable property in the school district a direct, general ad valorem tax for each year of the term of the bonds in amounts which, if collected in full and added to the minimum amounts required to be paid to the district under section 28, subdivision 1, are sufficient to pay when due the principal of and interest on the bonds. A copy of the resolution shall be filed and the taxes

levied shall be collected as specified in Minnesota Statutes, section 475.61. A resolution of the board levying taxes for the payment of the bonds and interest on them as authorized by this section and pledging the proceeds of the levies for the payment of the bonds and interest on them shall be deemed to be in compliance with the provisions of Minnesota Statutes, chapter 475 with respect to the levying of taxes for their payment.

Subd. 4. [DEFICIENCIES.] Bonds issued under authority of this section shall be general obligations of the school district, for which its full faith and credit and unlimited taxing powers shall be pledged. If there are any deficiencies in the collections of the taxes levied pursuant to subdivision 2 or in the amounts required to be paid to the district under section 28, subdivision 1, they shall be made good by general levies, not subject to limit, on all taxable property in the district in accordance with Minnesota Statutes, section 475.74. If any deficiency levies are necessary, the school board may effect a temporary loan or loans on certificates of indebtedness issued in anticipation of them to meet payments of principal or interest on the bonds due or about to become due.

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

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

Sec. 28. [TRANSFER OF TACONITE TAXES.]

Subdivision 1. [PAYMENTS TO DISTRICT; APPROPRIATIONS.] Commencing with taxes payable in 1986, the commissioner of revenue shall deduct and pay to independent school district No. 697, Eveleth, on or before October 1 of each year, an amount equal to 11 cents per gross ton of taxable iron concentrate produced but not less than 90 percent of the debt service coming due on or before the second following January 1 on all bonds issued by the district pursuant to section 27 from the taxes paid pursuant to sections 298.23 to 298.28 by a person, corporation, partnership, operator, joint venture, or other owner of a taconite plant and taconite properties located in the school district. The deduction shall be made from the amount which would otherwise have been distributed to northeast Minnesota economic protection fund in the apportionment fund in the state treasury under section 298.28, subdivision 1. A sum is annually appropriated to the commissioner from the proceeds of the taxes sufficient to make the payments required by this section.

Subd. 2. [PAYMENTS WHEN PRODUCTION DECREASES OR STOPS.] If the producer described in subdivision 1 ceases operations or decreases its operations so that the amount of the deduction of 11 cents per gross ton of taxable concentrate produced is insufficient to raise the minimum amount required to be paid annually under subdivision 1, then the difference between the deduction of 11 cents per gross ton of concentrate produced and such minimum amount shall be paid as provided in section 298.225.

Subd. 3. [DEPOSIT AND USE OF FUNDS.] The revenue received pursuant to this section by independent school district No. 697, Eveleth, shall be deposited in the bond redemption fund of the district and shall be used only to pay debt service on bonds issued pursuant to section 27.

Subd. 4. [TERMINATION.] The deduction and payment of taxes authorized in subdivisions 1 and 2 shall terminate upon the payment in full, or the discharge of the district's obligation to pay in full, the principal of and interest on all bonds issued pursuant to section 27.

Sec. 29. [REDUCTION IN SEVERANCE PAY ACCOUNT.]

By June 30, 1988, a district that has an amount in the appropriated fund balance for severance pay account in excess of the amount allowed by the uniform financial accounting and reporting standards shall eliminate the excess. Each year one-fourth of the amount determined to be excess in fiscal year 1985 shall be eliminated. However, adjustments to the excess may be made each fiscal year to account for changes in the amount needed in the account.

Sec. 30. [INSTRUCTIONS TO REVISOR.]

The revisor of statutes shall include in the supplement to Minnesota Statutes 1984 and in subsequent editions and supplements thereafter, and edit as authorized by law, the uncoded permanent law relating to the experimental school established by Laws 1973, chapter 683, section 26.

Sec. 31. [APPROPRIATION TO STUDY PROGRAMS TO MEET THE DEVELOPMENTAL NEEDS OF YOUNG CHILDREN.]

\$40,000 is appropriated from the general fund to the department of education for fiscal year 1986 to study programs designed to meet the developmental needs of young children. The study shall:

(1) Analyze the feasibility of providing full-day kindergarten and programs for aiding the developmental growth of four-year old children. It shall include recommendations relating to the purpose, possible curricula, staff and licensure requirements, and costs of providing these programs.

(2) Examine how programs for full-day kindergarten and four-year old children could be coordinated with existing services, including early childhood family education programs, early and periodic health screening, programs for handicapped children from birth to age three, community education, and special education for four and five-year old children.

(3) Examine the child care needs of parents whose children are ages four to 12 and provide recommendations relating to how these needs could be met by public schools.

By February 1, 1986, the department shall report the results of the study and its recommendations to the education committees of the legislature.

Sec. 32. [REPEALER.]

Subdivision 1. Minnesota Statutes 1984, sections 120.68; 121.11, subdivision 7a; 122.89; 123.80, subdivisions 2 and 3; and 125.05, subdivision 5, are repealed.

Subd. 2. [EFFECT OF CERTAIN REPEALS.] The rules adopted accord-

ing to any provisions of Minnesota Statutes that are repealed shall remain in full force and effect, under the authority of Minnesota Statutes, section 121.11, until amended or repealed by the state board of education. The repeal of Minnesota Statutes, section 123.80, shall not be construed to enable state board of education rules relating to special transportation of handicapped pupils to be different from the rules of the commissioner of public safety.

Sec. 33. [EFFECTIVE DATE.]

Sections 16, 18, and 29 are effective the day following final enactment.

Section 24 is effective the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of independent school district No. 701.

Sections 25 and 26 are effective the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of independent school district No. 706.

Sections 27 and 28 are effective the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of independent school district No. 697.

ARTICLE 8

TECHNOLOGY AND EDUCATIONAL IMPROVEMENT

Section 1. Minnesota Statutes 1984, section 121.608, is amended to read:

121.608. [~~INSTRUCTIONAL~~ EDUCATIONAL EFFECTIVENESS PLAN.]

The commissioner of education shall develop a comprehensive statewide plan for maintaining and improving ~~instructional~~ educational effectiveness in the schools. The plan shall encourage implementation of ~~school~~ educational effectiveness strategies based on research findings in the area, develop inservice ~~training~~ models for school district staff, integrate developments in educational technology with classroom instruction models, and develop a mechanism for establishing a statewide network to coordinate and disseminate information on research in ~~instructional~~ educational effectiveness. The commissioner may employ consultants and specialists to assist in the development of the plan, and, to the extent possible, shall utilize the information provided by the planning, evaluation, and reporting process and the statewide assessment program. The plan shall be revised as necessary.

Sec. 2. Minnesota Statutes 1984, section 121.609, is amended to read:

121.609. [~~INSTRUCTIONAL~~ EDUCATIONAL EFFECTIVENESS TRAINING INSTRUCTION.]

Subdivision 1. [ADVISORY TASK FORCE; PROGRAM MODEL.] The commissioner of education shall appoint an advisory task force to assist the department of education, in cooperation with the educational cooperative service units, in developing an implementation model for ~~training~~ providing inservice instruction to school district staff in ~~instructional~~ educational effectiveness. The ~~training~~ inservice program model shall be based on established principles of instructional design and the essential elements of effective instruction as determined by educational research. The ~~training~~ inservice

program model shall take into account the diverse needs of the school districts due to such factors as district size and location, and shall be structured to facilitate regional delivery of the ~~training inservice instruction~~ through the educational cooperative service units.

Subd. 2. [~~PILOT TESTING RESEARCH AND DEVELOPMENT OF TRAINING INSERVICE MODEL.~~] ~~Between January 1, 1984, and June 30, 1985,~~ The commissioner shall administer a ~~pilot research and development~~ program of the ~~instructional educational effectiveness training inservice~~ models ~~which shall be implemented in at least 20 pilot sites throughout the state.~~ The advisory task force established in subdivision 1 of this section may recommend modifications in the ~~training inservice~~ models as necessary.

Subd. 3. [EVALUATION AND REPORT.] The commissioner shall ~~pay an provide for independent evaluator to conduct an~~ evaluation of the effectiveness of this section. ~~A preliminary evaluation, including a sample survey of district personnel trained at the pilot sites, shall be completed by January 1, 1985. The evaluation results shall be reported to the education committees of the legislature by January 15 of each year.~~

The commissioner, with the assistance of the advisory task force, shall develop a long-term evaluation instrument for use at the ~~pilot research and development~~ sites and other districts utilizing the ~~instructional educational~~ effectiveness models. The long-term evaluation instrument shall include a method for measuring student achievement.

Subd. 4. [REGIONAL SERVICES.] The department of education shall contract with educational cooperative service units or other regional educational service agencies to provide assistance to the school districts in an educational cooperative service unit region in implementing ~~instructional educational~~ effectiveness models. In selecting an agency to provide assistance to the school districts, the department shall consider such factors as support of the proposal by the participating school districts and the extent to which the proposal provides for participation by school district staff. If more than one agency submits a proposal to provide services to school districts within an educational cooperative service unit region, the department shall encourage the agencies to develop a joint proposal.

Subd. 5. [~~INSTRUCTIONAL EDUCATIONAL EFFECTIVENESS TRAINING INSERVICE.~~] Utilizing the statewide plan developed pursuant to section 121.608 and the regional support services authorized in subdivision 4 and ~~based on the research from the educational effectiveness inservice models authorized in subdivision 3,~~ the department of education shall provide ~~instructional educational effectiveness training inservice instruction~~ for school district staff. The ~~training inservice instruction~~ shall be ~~provided facilitated~~ by building level leadership teams, as defined in the statewide plan developed pursuant to section 121.608. The ~~training inservice instruction~~ shall include clarification of individual school ~~missions~~, goals and expectations, enhancement of collaborative planning and collegial relationships among the building staff, improvement of instructional and organizational skills and ~~instructional~~ the climate of the school, and planning of staff development programs.

Sec. 3. [121.611] [NONLICENSED COMMUNITY EXPERTS; VARIANCE.]

Subdivision 1. [AUTHORIZATION.] Notwithstanding any law or state board of education rule to the contrary, the board of teaching may allow school districts to hire nonlicensed community experts to teach in the public schools on a limited basis according to this section.

Subd. 2. [APPLICATIONS; CRITERIA.] The school district shall apply to the board of teaching for approval to hire nonlicensed teaching personnel from the community. In approving or disapproving the district's application for each community expert, the board shall consider:

(1) the qualifications of the community person whom the district proposes to employ;

(2) the reasons for the district's need for a variance from the teacher licensure requirements;

(3) the district's efforts to obtain licensed teachers for the particular course or subject area;

(4) the amount of teaching time for which the community expert would be hired;

(5) the extent to which the district is utilizing other nonlicensed community experts under this section;

(6) the nature of the community expert's proposed teaching responsibility; and

(7) the proposed level of compensation to the community expert.

Subd. 3. [APPROVAL OF PLAN.] The board of teaching shall approve or disapprove an application within 60 days of receiving it from a school district.

Sec. 4. Minnesota Statutes 1984, section 121.612, subdivision 3, is amended to read:

Subd. 3. [FOUNDATION PROGRAMS.] The foundation shall plan for programs which advance the concept of educational excellence. These may include but are not limited to:

(a) recognition programs and awards for students demonstrating academic excellence;

(b) summer institute programs for students with special talents;

(c) recognition programs for teachers, administrators, and others who contribute to academic excellence;

(d) summer mentorship programs with business and industry for students with special career interests and high academic achievements;

(e) governor's awards ceremonies to promote academic competition; and

(f) consideration of the establishment of a Minnesota high school academic league; and

(g) matching contributions from businesses to encourage their participation in education.

To the extent possible, the foundation shall make these programs available

to students in all parts of the state.

Sec. 5. Minnesota Statutes 1984, section 121.612, is amended by adding a subdivision to read:

Subd. 3a. [ENCOURAGING EMPLOYEE PARTICIPATION.] The foundation, in cooperation with public and private employers, shall explore ways to encourage sponsorship of teachers, assistance for students in teacher education programs, and employee involvement in education, including but not limited to:

- (1) providing employment for teachers during the summer;*
- (2) providing for employers to assist students in teacher education programs by making loans to the students or by paying interest on student loans;*
- (3) providing for a mentorship program between employers and teachers or students in teacher education programs;*
- (4) allowing release time for employees to attend school functions, such as school board meetings, citizen committees, and parent-teacher conferences; and*
- (5) providing recognition to employees for outstanding volunteer contributions to education.*

Sec. 6. [121.918] [DEPARTMENT MANAGEMENT ASSISTANCE TO SCHOOL DISTRICTS.]

The department shall provide management assistance if requested by a district. The assistance may include:

- (1) developing data and assumptions for the district to use in setting priorities and goals and in considering management and organizational alternatives; and*
- (2) analyzing and assessing alternative methods of organization and management, including opportunities for coordination and cooperation with other districts, and assessing the relative costs and benefits of the alternatives.*

Sec. 7. Minnesota Statutes 1984, section 123.742, subdivision 1, is amended to read:

Subdivision 1. [TECHNICAL ASSISTANCE.] Insofar as possible, the state curriculum advisory committee, department of education, and educational cooperative service units shall make technical assistance for planning and evaluation available to school districts upon request. The department shall collect the annual evaluation reports from local districts as provided in section 123.741, subdivision 5, and shall make ~~this~~ these data available to the state curriculum advisory committee and, upon request, to any district seeking to use it for purposes of comparisons of student pupil performance. If requested, the department of education shall provide technical assistance to a district developing achievement tests, competency tests, or other methods of measuring group or individual pupil progress.

Sec. 8. Minnesota Statutes 1984, section 123.742, is amended by adding a subdivision to read:

Subd. 2a. [DISTRICT ASSESSMENTS.] As part of the planning, evalua-

tion, and reporting process, each year a district shall, in at least three grades, conduct assessments among at least a sample of pupils in three curriculum areas. At least two curriculum areas shall be communication, mathematics, science, or social studies. The third area shall be selected by the district. Assessments may not be conducted in the same curriculum area during two consecutive years. The district may use tests from the assessment item bank, the local assessment option developed by the department, or other tests approved by the state board.

Sec. 9. Minnesota Statutes 1984, section 123.742, subdivision 3, is amended to read:

Subd. 3. [PARTICIPATION IN STATEWIDE ASSESSMENT PROGRAM.] ~~Beginning in the 1984-1985 school year,~~ Each school district shall participate in the statewide assessment sampling process at least once every three years to provide normative data. ~~Each year the department of education shall determine which districts shall participate and which curriculum areas shall be assessed in a given school year.~~

Sec. 10. Minnesota Statutes 1984, section 123.742, subdivision 5, is amended to read:

Subd. 5. [ASSESSMENT ITEM BANK.] The department of education shall ~~develop~~ maintain an assessment item bank for the purpose of providing to provide assessment programs to individual districts which that are tailored to the specific educational objectives of the an individual school or district. ~~Beginning in the 1984-1985 school year and each year thereafter, the department shall develop an item bank for at least two curriculum areas each year. The item bank shall contain items related to each of the measurable learning expectations of the state board. The department shall develop and maintain an item bank for at least ten different curriculum areas.~~

Sec. 11. Minnesota Statutes 1984, section 123.742, is amended by adding a subdivision to read:

Subd. 5a. [ADDITIONAL TESTS.] The department shall maintain additional tests for at least three grade levels. The tests shall be designed to measure the progress of individual students toward the state board's learning expectations in the core curriculum areas of communications, mathematics, science, and social studies. The department shall make the tests available for a district to use, at the option of the district, as a part of the department's local assessment program.

Sec. 12. Minnesota Statutes 1984, section 123.7431, is amended to read:

123.7431 [AID FOR PLANNING, EVALUATION, AND REPORTING PROCESS.]

Subdivision 1. [ELIGIBILITY.] Each school district which completes the planning, evaluation, and reporting process pursuant to the requirements of sections 123.741 and 123.742 and which receives approval from the commissioner of education is eligible to receive state aid each year. An eligible school district shall receive \$1 times the number of pupils in average daily membership for the applicable prior school year. No district which is eligible for aid shall receive less than \$1,500.

Subd. 2. [PAYMENT OF AID.] The department of education shall pay aid

to a district within 30 days of approving the district's planning, evaluation, and reporting process. *However, no aid may be paid prior to July 1 in any calendar year.*

Sec. 13. Minnesota Statutes 1984, section 124.19, subdivision 1, is amended to read:

Subdivision 1. [INSTRUCTIONAL TIME.] Every district which receives special state aid shall maintain school in session or provide instruction in other districts, in state university laboratory school or in the university laboratory school, for at least 175 days, not including summer school, or the equivalent in a district operating a flexible school year program. A district which holds school for the required minimum number of days and is otherwise qualified is entitled to special state aid as provided by law. If school is not held for the required minimum number of days, special state aid shall be reduced by the ratio that the difference between 175 days and the number of days school is held bears to 175 days, multiplied by 60 percent of the product of the foundation aid formula allowance times its pupil units for that year. However, districts maintaining school for fewer than the required minimum number of days do not lose special state aid, if the circumstances causing loss of school days below the required minimum number of days are beyond the control of the board and, if proper evidence is submitted and a good faith attempt made to make up time lost due to these circumstances. The loss of school days resulting from a lawful employee strike shall not be considered a circumstance beyond the control of the board. Days devoted to teachers' institutes or other meetings authorized or called by the commissioner may not be included as part of the required minimum number of days of school. Not more than five days may be devoted to parent-teacher conferences or teachers' workshops, or other staff development opportunities as part of the required minimum number of days, except that, for kindergarten classes, not more than ten days may be devoted to parent-teacher conferences or teachers' workshops, or other staff development opportunities as part of the required minimum number of days.

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

Subdivision 1. [MAXIMUM REVENUE.] *The maximum revenue a district may receive for an excellence in teaching and curriculum program is \$500 times the number of full-time equivalent licensed staff, including teaching, supervisory, and support staff, in the district's elementary and secondary programs in that school year. No district shall receive less than \$12,000. For a district that does not have contracts executed according to section 26, the maximum revenue is reduced by 40 percent. For districts that have entered into contracts according to section 26, the 40 percent portion of the maximum revenue shall not exceed the cost of the contracts.*

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

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

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

Subd. 3. [USE OF REVENUE.] *The proceeds of the aid authorized by this*

section and the levy authorized by section 275.125, subdivision 8c, shall be used only for an excellence in teaching and curriculum program and shall be used only in the proportions set forth in section 25.

Sec. 15. Minnesota Statutes 1984, section 124A.03, subdivision 4, is amended to read:

Subd. 4. [SUMMER PROGRAM LEVY.] ~~In 1984 and each year thereafter,~~ A district may levy for summer programs an amount equal to the following product:

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

(b) the lesser of

(1) one, or

(2) the ratio of

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

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

Sec. 16. Minnesota Statutes 1984, section 124A.033, subdivision 2, is amended to read:

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

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

(2) "Summer program ~~instructional~~ revenue allowance" means an amount equal to the product of the number of summer program pupil units in a district, times the foundation aid formula allowance as defined in section 124A.02 for the preceding regular school year.

(3) "Summer educational improvement revenue allowance" means an amount equal to the product of 0.005, times the number of actual pupil units in the district in the preceding regular school year, times the foundation aid formula allowance as defined in section 124A.02 for the preceding regular school year.

(4) "Total summer program revenue allowance" means an amount equal to the sum of a district's summer program instructional revenue allowance and summer educational improvement revenue allowance.

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

Sec. 17. Minnesota Statutes 1984, section 124A.033, subdivision 3, is amended to read:

Subd. 3. [SUMMER PROGRAM AID.] ~~In fiscal year 1986 and Each year thereafter,~~ a district *offers a summer instructional program*, it shall receive summer program aid equal to the difference between:

(1) the product of

(a) the ratio of the district's actual levy to its permitted levy, pursuant to section 124A.03, subdivision 3 4, certified in the calendar year before the summer program is offered; times

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

(2) the levy certified by the district pursuant to section 124A.03, subdivision 3 4, in the calendar year before the summer program is offered.

Sec. 18. Minnesota Statutes 1984, section 124A.033, subdivision 5, is amended to read:

Subd. 5. [AUTHORIZED USE OF SUMMER PROGRAM AID AND LEVY.] ~~(a) Beginning with the 1985 summer program,~~ A school board may use the proceeds of the aid and levy received pursuant to this section and section 124A.03, subdivision 3 4, only for summer *instructional* programs that are offered for credit or required for graduation or that provide academic enrichment or remediation. The proceeds may not be used for recreational sports, leisure activities, entertainment, recreational activities, crafts, hobbies, or any other classes of a similar nature. Summer programs for a handicapped pupil shall relate to the pupil's individual education plan.

~~(b) The proceeds may also be used for expenditures during the summer for curriculum development, staff development, parent or community involvement, experimental educational delivery systems, and other measures designed to improve education in the district.~~

Sec. 19. Minnesota Statutes 1984, section 125.03, is amended by adding a subdivision to read:

Subd. 5. "Teachers" for the purpose of examination means persons applying for initial teaching licenses or persons applying for additional fields of licensure to provide direct instruction to pupils in pre-kindergarten, elementary, secondary, and special education programs. It does not mean persons applying for licenses as supervisory or support personnel nor does it mean librarians, school social workers, school psychologists, audio-visual directors or coordinators, or media generalists or supervisors.

Sec. 20. Minnesota Statutes 1984, section 125.05, subdivision 1, is amended to read:

Subdivision 1. [QUALIFICATIONS.] The authority to license teachers as defined in section 125.03, *subdivision 1*, is vested in the board of teaching except that the authority to license supervisory and support personnel *as defined in section 125.03, subdivision 4*, is vested in the state board of education. Licenses shall be issued to such persons as the board of teaching or the state board of education finds to be competent for their respective positions. *For teachers, as defined in section 125.03, subdivision 5, competency includes successful completion of an examination of academic knowledge in each field of licensure and, for persons applying for initial licenses, an examination of skills in reading, writing, and mathematics. Qualifications of*

teachers and other professional employees except supervisory and support personnel shall be determined by the board of teaching under the rules which it promulgates. Licenses under the jurisdiction of the board of teaching shall be issued through the licensing section of the department of education. Licenses under the jurisdiction of the state board of education shall be issued through the licensing section of the department of education.

Sec. 21. Minnesota Statutes 1984, section 125.182, subdivision 1, is amended to read:

Subdivision 1. For the purpose of sections 125.181 to 125.185, the terms defined in this section ~~shall~~ have the meanings ascribed to given them, unless another meaning is clearly indicated.

Sec. 22. Minnesota Statutes 1984, section 125.185, subdivision 4, is amended to read:

Subd. 4. The board shall ~~develop and create~~ *adopt* rules for the licensure of to license public school teachers and interns; ~~and from time to time it shall revise or supplement the rules for licensure of public school teachers subject to the provisions of chapter 14. It shall be the duty of The board shall adopt rules for examination of teachers, as defined in section 125.03, subdivision 5. The rules may allow for completion of the examination of skills in reading, writing, and mathematics before entering or during a teacher education program. The board to establish shall adopt rules for the approval of to approve teacher education programs; provided these rules shall encourage teacher educators to obtain periodic classroom teaching experience. The board shall also grant licenses to interns and to candidates for original initial licenses and receive recommendations from local committees as established by the board for the renewal of teaching licenses, grant life licenses to those who qualify according to requirements established by the board, and suspend or revoke licenses pursuant to sections 125.09 and 214.10. Notwithstanding any law or rule to the contrary, the board shall not establish any expiration date for application for life licenses. With regard to vocational education teachers the board of teaching shall adopt and maintain as its rules the rules of the state board of education and the state board of vocational technical education.~~

Sec. 23. [126.66] [STATE CURRICULUM PLANNING, EVALUATION, AND REPORTING.]

Subdivision 1. [CURRICULUM ADVISORY COMMITTEE.] *The state board shall establish a curriculum advisory committee. The committee shall advise the state board in carrying out its duties under this section. The committee shall consist of 11 members from all parts of the state. Each member shall be a present or past member of a school district curriculum advisory committee. The membership shall consist of a member of the state board, school board member, administrator, parent, six teachers, and a member to represent the public at large. The provisions of section 15.059 shall apply to the committee except that there shall be no expiration date.*

Subd. 2. [LEARNING EXPECTATIONS.] *The state board of education shall review and adopt measurable learning expectations developed by the department of education. The board shall make the expectations available for a district to use at the option of the district. The expectations shall be for pupils in kindergarten to grade 12 in at least the core curriculum areas of*

communication, mathematics, science, and social studies. The expectations shall set forth the scope and sequence of learning. The board shall also coordinate the development of model curricula for a district to use at its option and methods for a district to evaluate its curriculum.

Subd. 3. [REPORT CONTENTS.] By January 1 each year, the state board shall adopt a report containing at least the following:

(1) evaluation of pupil progress in the core curriculum areas and other areas for which valid statewide data are available; and

(2) recommendations for improving state and school district instructional programs.

The report shall not include information on individual schools or school districts.

Subd. 4. [REPORT TO LEGISLATURE.] By January 15 each year the state board shall present its report and recommendations to the education committees of the legislature.

Subd. 5. [COORDINATION WITH HIGHER EDUCATION.] The state board shall consult with each of the public post-secondary educational systems and with the higher education coordinating board in establishing learning expectations appropriate for entrance into post-secondary institutions.

Sec. 24. [126.70] [PLANNING FOR EXCELLENCE IN TEACHING AND CURRICULUM.]

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

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

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

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

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

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

(5) integration of areas listed under section 25, subdivision 2;

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

(7) procedures for evaluating progress.

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

Subd. 4. [AID FOR PLANNING.] Each school district intending to de-

velop a comprehensive plan is eligible to receive state aid for planning during the 1985-1986 or 1986-1987 school year. The department of education shall provide aid application forms to districts by August 31, 1985. Planning aid shall equal the greater of \$500 or 75 cents times the average daily membership of the district for the 1984-1985 school year. The department of education shall pay aid to a district within 30 days of receiving the district's application.

Sec. 25. [126.71] [EXCELLENCE IN TEACHING AND CURRICULUM.]

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

Subd. 2. [USE OF REVENUE.] The 60 percent portion of the revenue for excellence in teaching and curriculum shall be used for at least two of the following purposes:

(1) to provide educational effectiveness instruction according to section 121.609;

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

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

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

(5) for experimental delivery systems;

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

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

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

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

(10) for in-service education and curriculum development designed to promote sex equity in all aspects of education, with emphasis on curricular areas such as mathematics, science, and technology programs; or

(11) for in-service education or curriculum modification for handicapped pupils and low-achieving pupils.

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

Subd. 3. [ADDITIONAL USE OF REVENUE.] The 40 percent portion of the revenue for excellence in teaching and curriculum shall be used for contracts for the excellence in teaching program.

Sec. 26. [126.72] [EXCELLENCE IN TEACHING PROGRAM.]

Subdivision 1. [AUTHORIZATION.] As part of a program for excellence

in teaching and curriculum, a school board may use up to 40 percent of the revenue for excellence in teaching and curriculum for short-term, limited contracts with classroom teachers employed by the district.

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

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

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

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

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

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

Subd. 6. [ELIGIBILITY FOR REVENUE.] *To be eligible for the excellence in teaching portion of revenue under section 14, the district shall file with the department of education a statement signed by the chair of the school board verifying that contracts under this section will be awarded. The statement shall indicate the number of contracts, whether duties are to be per-*

formed before, during, or after the school day or during the summer, the total cost of all contracts, and a general description of the duties. The statement shall also describe how the recommendations required by subdivision 2 were obtained. Any problems associated with implementing this section may be included.

Sec. 27. [126.80] [CITATION.]

Sections 29 to 32 may be cited as "the research, planning, and development act of 1985."

Sec. 28. [PURPOSE.]

The legislature recognizes that research, planning, and development is important in maintaining and improving the quality of education in Minnesota. The purpose of the act is to support research, planning, and development of alternative educational structures and practices within school districts and teacher education institutions.

Sec. 29. [126.81] [RESEARCH, PLANNING, AND DEVELOPMENT DISSEMINATION CENTER.]

Subdivision 1. [DISSEMINATION CENTER.] The commissioner shall establish a research, planning, and development dissemination center within the department of education. The commissioner shall consult with the council on quality education in the development of the center.

Subd. 2. [ACTIVITIES.] The research, planning, and development dissemination center staff shall collect and disseminate education research and planning information. Available research and planning information shall include, but not be limited to, information from (a) council on quality education projects; (b) Minnesota post-secondary institutions; (c) technology demonstration sites; (d) northwest area foundation research; (e) instructional effectiveness sites; (f) school districts; and (g) other state and national theoretical and applied research activities.

Subd. 3. [DISSEMINATION PROCESS.] The commissioner shall establish written procedures for dissemination of research information.

Beginning July 1, 1986, the commissioner shall provide all licensed professional teaching staff in the state with a summary of research and planning information available through the research, planning, and development dissemination center and the established procedure to access the center.

The commissioner may provide research, planning, and development dissemination center information to other public regional, state, and local research and planning centers.

Sec. 30. [126.82] [COMPREHENSIVE LEARNING PROGRAM GRANTS.]

Subdivision 1. [PLAN.] The commissioner of education, in consultation with the council on quality education, shall make up to four grants for comprehensive learning programs. A comprehensive learning program is a program to improve opportunities for learning in a school district or group of school districts. The program must combine the components described in subdivision 3 into a comprehensive and coordinated learning program that enhances the opportunity for learning of all district residents. The state board

of education, department of education, ECSUs, school boards, and district staff are to cooperate and collaborate in an effort to use existing resources for the maximum benefit of learners.

Subd. 2. [COMPREHENSIVE LEARNING PROGRAM COMPONENTS.] A comprehensive learning program plan shall include the following:

(1) educational effectiveness, as described in sections 121.608 and 121.609;

(2) summer programs, as described in section 124A.033;

(3) an improved learning program, as described in section 129B.45, and a comprehensive staff development plan;

(4) community education, as authorized in section 121.88;

(5) early childhood family education, as described in section 121.882;

(6) special instruction and services for handicapped children, according to section 120.17;

(7) secondary vocational programs for handicapped and nonhandicapped pupils;

(8) use of technology in education; and

(9) coordination and cooperation with post-secondary institutions, according to section 123.3511.

A comprehensive learning program may include the following:

(1) a flexible school year program, as described in sections 120.60 to 120.67;

(2) methods to provide greater choice of learning programs for pupils in grades 11 and 12, including programs offered by other school districts and post-secondary institutions;

(3) development of individual learning programs for all pupils;

(4) implementation of mastery learning techniques;

(5) partnerships with business institutions;

(6) development of differentiated career roles and career ladders for teachers; and

(7) programs to facilitate small-group learning and flexibility in the size of learning groups.

Subd. 3. [ELIGIBILITY CRITERIA.] Grants shall be awarded based on the following criteria:

(1) evidence of excellent existing learning programs;

(2) willingness to match the grant with district resources;

(3) creative and practical ideas for means to develop an effective comprehensive learning program; and

(4) evidence that the district or group of districts could continue to support

an effective comprehensive learning program after the grant has been expended.

Subd. 4. [APPLICATION PROCEDURES.] Applications for grants shall be submitted to the commissioner of education by October 15, 1985. The commissioner shall submit applications to the council on quality education for its evaluation, based on the criteria in subdivision 3, and recommendations. The commissioner shall award grants by January 1, 1986. To the extent possible, grants shall be awarded in various parts of the state.

Subd. 5. [USE OF MONEY.] Comprehensive learning grants may be used:

(1) to employ staff to research, plan, develop, and implement comprehensive learning programs;

(2) to hire substitute teachers so that teachers may plan, develop, and implement comprehensive learning programs;

(3) to provide seminars, workshops, and in-service education to district staff and board members; and

(4) to implement a computerized management system for mastery learning.

Subd. 6. [DISTRICT IMPLEMENTATION.] Each district or group of districts that receives a comprehensive learning grant shall designate an individual as the program director. The director shall be employed for the entire year and shall devote at least one-half time to researching, planning, developing, and implementing comprehensive learning programs. Each district or group of districts that receives a comprehensive learning grant shall designate an advisory committee on implementation of the program. Districts are encouraged to select membership from existing committees.

Subd. 7 [TECHNICAL ASSISTANCE.] The department and ECSUs shall assist a district or group of districts with the research, planning, development, implementation, and evaluation of comprehensive learning programs.

Subd. 8. [ECSU GRANTS.] The commissioner may award a grant to an ECSU in which a district or group of districts receiving a comprehensive learning program grant is located. The grant to an ECSU shall not exceed 10 percent of the comprehensive learning program grant awarded to the district or group of districts in the ECSU.

Subd. 9. [EVALUATION.] The commissioner shall evaluate each site receiving a comprehensive learning program grant. The commissioner may contract with independent evaluators for this purpose.

Sec. 31. [126.83] [PUPIL GROUPING ALTERNATIVES.]

Subdivision 1. [GRANT AWARDS.] By October 15, 1985, the commissioner may award up to four grants to support research, planning, and development activities to examine pupil grouping alternatives that are appropriate for a given learning activity. Grants may be made to a school district, a group of school districts, or a teacher education institution working in cooperation with a school district or group of school districts.

Subd. 2. [REQUESTS FOR PROPOSALS.] By July 1, 1985, the commissioner, in consultation with the council on quality education, shall request

proposals for research, planning, and development projects. Proposals may include, but are not limited to: (1) modification of learner group size; (2) multi-age group activities; (3) innovative instructional methods to meet group needs; and (4) use of peer tutoring techniques.

Subd. 3. [SELECTION CRITERIA.] A grant recipient must demonstrate each of the following characteristics: (1) evidence of support by school district staff; (2) a willingness to match the grant awarded; and (3) a willingness to share experiences and information with interested parties.

Subd. 4. [PRIVATE FUNDING.] The grant recipient shall seek funding and in-kind contributions from private sources to supplement state grant awards.

Subd. 5. [EVALUATION.] The commissioner shall evaluate each research, planning, and development project. The commissioner may contract with independent evaluators for this purpose. The evaluation must include data on the satisfaction and success of teachers and learners.

Sec. 32. [126.84] [EXEMPLARY TEACHER EDUCATION PROGRAM GRANTS.]

Subdivision 1. [GRANTS.] The board of teaching shall award at least four grants for development of exemplary teacher education programs. Grants shall be awarded to post-secondary education institutions for programs that are conducted jointly by an approved teacher education institution and one or more school districts.

Subd. 2. [CONSULTATION WITH HECB.] The board of teaching shall consult with the higher education coordinating board on the procedures for making grants and on the proposals submitted pursuant to this section.

Subd. 3. [PROCEDURE.] The board of teaching shall establish a procedure for the application for awarding of grants. Grants shall be awarded by January 1, 1986, and may be for fiscal years 1986 and 1987 or fiscal year 1987. To the extent possible, the grants awarded shall represent a broad range of proposals.

Subd. 4. [ELIGIBILITY.] To be eligible for a grant a proposal must include:

(1) a learning-teaching program compatible with current research in child development and teacher effectiveness;

(2) a description of how the program relates to sections 129B.45, 129B.46, and 129B.47; and

(3) a plan for integrating the learning needs of special education students into the program.

Proposals must also meet one of the following sets of criteria:

(1) proposals that are designed to prepare college graduates to teach through structural internships in participating districts or other methods;

(2) comprehensive proposals that are designed to:

(a) prepare a person to be a teacher before specializing in a subject area;

(b) encourage teaching as a career and provide advanced levels of educa-

tion in graduate programs for teachers; and

(c) encourage the development of two-year education assistant programs.

Subd. 5. [EVALUATION.] *The board of teaching, in consultation with the higher education coordinating board, shall provide evaluation of programs that receive grants.*

Subd. 6. [DISSEMINATION.] *The board of teaching and the higher education coordinating board shall provide for dissemination of the evaluation results and program models. This information shall be made available to all licensed teachers and all post-secondary students studying to be teachers.*

Sec. 33. Minnesota Statutes 1984, section 129B.34, subdivision 2, is amended to read:

Subd. 2. [APPLICATIONS.] Applications containing specific in-service training proposals for a district or combination of districts shall be submitted by December 1, 1984, each year in the form and manner prescribed by the department of education. The department shall approve or disapprove applications within 60 days of receipt.

Sec. 34. Minnesota Statutes 1984, section 129B.34, subdivision 3, is amended to read:

Subd. 3. [AMOUNT OF AID.] A district or combination of districts whose application is approved shall receive \$1 70 cents times the number of pupils in average daily membership for the 1982-1983 prior school year. Aid shall be paid within 30 days of approval.

Sec. 35. Minnesota Statutes 1984, section 129B.35, is amended to read:

129B.35 [REGIONAL COORDINATORS.]

~~The Minnesota educational computing consortium~~ department of education shall contract to provide regional instructional computing coordinators with expertise in the use of technology in education. ~~The Minnesota educational computing consortium and the department of education and school districts shall agree on the services to be provided by the regional coordinators. Among other responsibilities, the regional coordinators shall serve as onsite consultants to districts participating in attempting to implement recently approved technology utilization planning plans and inservice training education.~~

Sec. 36. Minnesota Statutes 1984, section 129B.36, subdivision 1, is amended to read:

Subdivision 1. [SITE DESIGNATION.] By ~~January 15, 1984~~ July 1, 1985, the ~~state board commissioner, in consultation with the advisory committee, shall designate from eight to ten districts as which of the existing technology demonstration sites and award each district a grant for use during the 1983-1984 and 1984-1985 school years are eligible for continuation grants for use during the 1985-1986 and 1986-1987 school years. A site that does not receive a continuation grant under this subdivision may retain its designation as a technology demonstration site during the 1985-1986 and 1986-1987 school years to improve its opportunities to obtain funding from private or other public sources. The commissioner, in consultation with the advisory committee, shall determine the level of funding for each site. A grant shall be at~~

least \$125,000 but not more than \$175,000. \$125,000 of each grant may be used to continue existing operations. Any grant amount exceeding \$125,000 may be used for the expenses of expanded efforts already planned or underway at the site. Grantees must continue matching the grant award in the manner agreed for the previous biennium.

Sec. 37. Minnesota Statutes 1984, section 129B.36, subdivision 4, is amended to read:

Subd. 4. [GRANT AWARDS.] Applications for grants shall be submitted to the ~~state board commissioner~~ by ~~December 1, 1983~~ *August 1, 1985* in the form and manner prescribed by the department. Grants shall be awarded by ~~January 15, 1984~~ *September 1, 1985*.

Sec. 38. Minnesota Statutes 1984, section 129B.36, subdivision 5, is amended to read:

Subd. 5. [RECIPIENT DUTIES AND USE OF MONEY.] A district selected for a grant shall work cooperatively with the advisory committee, department of education, ~~Minnesota educational computing consortium~~, higher education institutions in the area, and business and industry, as appropriate. ~~A district selected for a grant shall have a technology utilization plan according to section 129B.33. The district shall conduct at least one workshop four workshops~~ each school year of the grant to demonstrate to other districts and interested parties its use of technology in education. Grant money may be used for equipment, consultants, curriculum development, and teacher ~~training education~~.

Sec. 39. Minnesota Statutes 1984, section 129B.37, subdivision 1, is amended to read:

Subdivision 1. [LIST.] ~~By January 1, 1984,~~ The department of education shall compile, publish, and distribute to districts a list of high quality courseware packages for use in public elementary and secondary schools. Every six months, ~~thereafter,~~ the department shall supplement the list with recently evaluated materials.

Sec. 40. [129B.375] [COURSEWARE INTEGRATION CENTERS.]

The commissioner of education shall establish educational courseware integration centers to provide (1) access for teachers to major exemplary courseware, (2) opportunities for teachers to become familiar with a variety of technology resources, and (3) assistance in integrating technology materials into the curriculum.

Sec. 41. Minnesota Statutes 1984, section 129B.38, is amended to read:

129B.38 [SUBSIDY FOR PURCHASE OF COURSEWARE PACKAGES.]

Subdivision 1. [AID AMOUNT.] A district that purchases or leases courseware packages that qualify as high quality according to section 129B.37 shall receive state aid *each year*. The aid shall be equal to the lesser of:

(a) ~~\$1-60~~ *90 cents* times the number of pupils in average daily membership for the ~~1982-1983~~ *prior* school year; or

(b) 25 percent of the actual expenditures of the district for purchase or lease

of the courseware packages between January 1, 1984, and May 31, 1985 during the year.

Subd. 2. [AID PAYMENT.] ~~Applications~~ Applications for aid shall be submitted in the form and manner prescribed by the department. Payment of aid shall be made by July 31, 1984, for applications received by June 30, 1984. ~~Payment of aid shall be made by June 30, 1985, each year for applications received by between July 1, 1984, and May 31, 1985.~~

Sec. 42. Minnesota Statutes 1984, section 129B.39, is amended to read:

129B.39 [PURCHASE OF COURSEWARE PACKAGE DUPLICATION RIGHTS.]

Rights to duplication of courseware packages may be purchased, and volume purchase agreements may be established by the department of education, if the department determines that the courseware packages qualify as high quality according to section 129B.37, and if the courseware packages are available to the state at a lower cost than if purchased by school districts individually. The department shall ~~make the courseware packages available to the Minnesota educational computing consortium for distribution to districts~~ contract with any company that submits the lowest bid and that has the capability to duplicate and distribute courseware packages obtained by the department under this section. The materials shall be available to districts without cost except for nominal costs of reproduction and distribution.

Sec. 43. Minnesota Statutes 1984, section 129B.40, is amended to read:

129B.40 [COURSEWARE PACKAGE DEVELOPMENT.]

Subdivision 1. [NEW COURSEWARE PACKAGES.] ~~The Minnesota educational computing consortium, in consultation with the department of education, is authorized to develop and may contract with various organizations, commercial or nonprofit, for the design and development of courseware packages which will meet the needs of schools school districts and which otherwise are unavailable or too expensive for individual districts or the state to purchase. The Minnesota educational computing consortium department may:~~

(a) contract with school districts, private entrepreneurs, and other public or private agencies for the development of a specified courseware package;

(b) assist entrepreneurs to develop their own ideas for courseware packages that could be used in school districts, by providing funds for that purpose;

(c) secure copyrights for those materials in which it has a whole or part interest;

(d) ~~sell developed~~ contract for the distribution of courseware packages at cost to school districts in Minnesota and at commercial rates elsewhere at cost under section 129B.39; and

(e) ~~sell or~~ contract for the marketing of courseware packages.

The department of education shall evaluate whether the courseware packages qualify as high quality according to the criteria and procedures established in section 129B.37.

Courseware packages developed according to this subdivision shall become the property of the Minnesota educational computing consortium state. Revenue from the sale of these courseware packages shall be annually appropriated from the general fund to the department of education and shall be used to develop additional courseware packages according to this section and to evaluate the other commercial courseware under section 129B.37.

Subd. 2. [DISTRIBUTION.] ~~The Minnesota educational computing consortium may~~ Any company with which the department contracts to develop courseware packages must sell those courseware packages to Minnesota school districts at cost and may sell to school districts in other states and to the general public at commercial rates. Each contract with a developer who shares in the profits of distribution shall include a provision requiring sale of the courseware packages at cost to Minnesota school districts.

Sec. 44. Minnesota Statutes 1984, section 275.125, is amended by adding a subdivision to read:

Subd. 8c. [TEACHING AND CURRICULUM LEVY.] A district may levy for its excellence in teaching and curriculum program. The amount levied shall not exceed the lesser of:

(1) 4 mill times the adjusted assessed valuation of the district for the year preceding the year the levy is certified; or

(2) the maximum revenue, as defined in section 14, subdivision 1, for the fiscal year to which the levy is attributable.

If the school district does not file the statement required by section 26, subdivision 6, before the levy limits for the district are certified according to subdivision 10, the department shall reduce the levy limitation for this subdivision by the amount the district levied the previous year for contracts under section 26.

Sec. 45. Laws 1983, chapter 314, article 8, section 11, is amended to read:

Sec. 11. [ADVISORY COMMITTEE ON TECHNOLOGY IN EDUCATION.]

By July 1, 1983, a 15 member advisory committee on technology in education shall be appointed by the governor to assist in the implementation of sections 13 to 20 of this article. Representation on the advisory committee shall include public school teachers and administrators, school boards, parents, department of education, Minnesota educational computing consortium, at least one regional management information center, council on quality education, higher education, including representatives from teacher education programs, and at least two members from high technology business and industry. Advisory committee members shall be knowledgeable about the use of technology in elementary and secondary education. The advisory committee shall terminate on June 30, 1985 1987.

Sec. 46. [PHASE-IN OF ITEM BANK DEVELOPMENT.]

The department of education shall add three curricular areas to the item bank each year. The first curricular areas to be completed are communication, mathematics, science, and social studies.

Sec. 47. [ADOPTING PROPOSED EXAMINATIONS.]

Subdivision 1. [TIMING.] By September 1, 1986, the board of teaching shall adopt proposed examinations that have been validated by another state or reputable national testing organization.

Subd. 2. [SUBJECTS FOR EXAMINATION.] Proposed examinations must be adopted for reading, writing, and mathematics skills to indicate whether an individual possesses competency in each skill tested.

Proposed examinations must be adopted for each field of licensure for which people are examined. The examination must indicate whether an individual possesses the level of academic knowledge needed to teach in the field of licensure. The examination must measure academic knowledge only and not teaching theories, methodology, skills of teaching, or other areas traditionally associated with a teacher education program.

Subd. 3. [ADVISORY TASK FORCE.] The board shall appoint a task force of nine members to assist it in adopting and field testing proposed examinations. All members of the task force shall be licensed teachers. Compensation for members must be as provided in Minnesota Statutes, section 15.059, subdivision 3. The task force shall terminate June 30, 1987.

Subd. 4. [CONSULTATION AND ASSISTANCE.] The board shall consult with the commissioner of education and the executive director of the higher education coordinating board about adopting and field testing proposed examinations. The board may contract with consultants.

Subd. 5. [FIELD TESTING.] The board shall field test proposed examinations with students in at least three teacher education programs. The results must be used only to provide information for the board about the examinations.

Subd. 6. [REPORT TO LEGISLATURE.] By January 15, 1986, the board shall report its progress to the education committees of the legislature. By January 15, 1987, the board shall report to the education committees of the legislature about the process used to adopt examinations, how examinations were selected, the nature of the examinations, and the results of field testing.

Sec. 48. [EVALUATION OF TECHNOLOGY DEMONSTRATION SITES.]

The advisory committee on technology in education shall include, for evaluations performed during the biennium, a report concerning participation of pupils by sex, notwithstanding the provisions of Minnesota Statutes, section 363.03, subdivision 5, clause (3). The report shall contain (1) the numbers of pupils of each sex who participate in each program at each site, (2) the nature and quality of pupil participation by sex at each site, and (3) the amount of time pupils of each sex actually spend using technology equipment in each program at each site, even if there is equal opportunity to use the equipment. The advisory committee may contract with state agencies or consultants to collect data and prepare the information. If requested by the advisory committee, the department of education or a site, or both, shall collect data and prepare information. The report shall be submitted to the education committees of the legislature with the evaluations of technology demonstration sites.

Sec. 49. [INITIAL CENTER DESIGNATION AND GRANTS.]

Subdivision 1. [DESIGNATION.] The commissioner of education shall designate and award grants to at least five courseware integration centers established under section 40. Two centers shall be model media centers at permanent locations and at least three shall be mobile centers. The commissioner shall assure access by all regions of the state when designating centers.

Subd. 2. [CRITERIA.] In consultation with the advisory committee, the department of education shall develop designation criteria for review by the commissioner. The commissioner shall establish the criteria and distribute them to applicants by October 1, 1985. Criteria must include at least the following:

- (1) a currently existing exemplary program;*
- (2) a willingness to match the state grant; and*
- (3) a willingness to provide a model for integrating technology into the school curriculum.*

Subd. 3. [GRANTS.] The commissioner shall award a grant for each courseware integration center by January 15, 1986, for use during the 1986-1987 school year. Applications for grants must be submitted to the commissioner by December 1, 1985, in the form and manner determined by the commissioner.

Subd. 4. [RECIPIENT DUTIES AND USE OF MONEY.] A grant recipient shall work cooperatively with the advisory committee, the department of education, higher education institutions in the area, and business and industry, as appropriate. The recipient, using grant money, shall conduct at least four workshops during the school year of the grant to demonstrate to districts and interested parties its use of techniques for curriculum integration and ongoing opportunities for courseware review.

Subd. 5. [EVALUATION OF CENTERS.] The advisory committee shall evaluate the courseware integration centers. It may contract with independent evaluators for this purpose.

Sec. 50. [TECHNOLOGY IN SCHOOL DISTRICT MANAGEMENT.]

Subdivision 1. [DEFINITION.] The department of education, in consultation with the ESV computer council, shall encourage the use of technology in school district management. For purposes of this section, school district management includes administrative data processing such as student records, personnel records, inventory, and transportation routes but does not include reporting of finance data in accordance with the uniform financial accounting and reporting standards for Minnesota school districts.

Subd. 2. [GRANTS.] By January 1, 1986, the department of education, in consultation with the ESV computer council, shall make grants in equal amounts to the elementary, secondary, and vocational computer regions or other regional educational service agencies to provide assistance to school districts served by an elementary, secondary, and vocational computer region. If there is no acceptable application from a regional service provider to serve a region by January 1, 1986, the department may increase grants to other regions by the amount of the unserved region's allocation. By September 1, 1985, the department, in consultation with the ESV computer

council, shall develop criteria for awarding the grant. The criteria must include:

(1) the needs of a region, particularly the needs of districts not currently using technology in school district management;

(2) emphasis on using micro-technology in school district management, although the criteria must not restrict proposals to those using micro-technology; and

(3) a plan for meeting staff training needs that incorporates vendor expertise where possible.

Minnesota Statutes, chapter 14, does not apply to developing the criteria. The assistance must be compatible with state reporting requirements. The assistance provided by the grants must not require state financial support after June 30, 1987.

Sec. 51. [INDUSTRIAL TECHNOLOGY PROGRAM.]

The commissioner of education shall develop a curriculum for the industrial technology program that incorporates the instructional competencies found in secondary industrial arts and secondary vocational trade and industrial occupations programs.

Sec. 52. [REPORT TO LEGISLATURE.]

By January 15, 1987, the department of education shall submit a report and recommendations to the legislature about the issues reported by school districts under section 26, subdivision 6.

Sec. 53. [USE OF 1985 SUMMER REVENUE.]

Notwithstanding any law to the contrary, a district may use the 1985 summer educational improvement revenue allowance during the school year as well as during the summer.

Sec. 54. [LEVY REDUCTION IF PLAN NOT APPROVED.]

If a district plan is not approved according to section 24 and if the district levied under Minnesota Statutes, section 275.125, subdivision 8c, for an excellence in teaching and curriculum program, the department of education shall reduce the 1986 or 1987 levy limit, as applicable, for Minnesota Statutes, section 275.125, subdivision 8c, or for Minnesota Statutes, section 124A.03, subdivision 1, by the amount the district levied for the program in 1985 or 1986.

Sec. 55. [INSTRUCTION TO REVISOR.]

The revisor shall renumber Minnesota Statutes, sections 123.74, 123.741, 123.742, and 123.743 as sections 126.65, 126.67, 126.68, and 126.69. The revisor shall renumber Minnesota Statutes, section 123.7431 with an appropriate number in chapter 124.

Sec. 56. [APPROPRIATIONS.]

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

Subd. 2. [SUBJECT AREA INSERVICE TRAINING.] For subject area inservice training pursuant to section 121.601 there is appropriated:

\$545,000 _____ 1986.

Subd. 3. [EDUCATIONAL EFFECTIVENESS.] For educational effectiveness programs pursuant to sections 121.608 and 121.609 there is appropriated:

\$1,103,000 _____ 1986,

\$ 789,000 _____ 1987.

The commissioner shall assign one additional position, from the department's existing complement, to educational effectiveness programs. The legislature intends that, beginning in fiscal year 1987, districts will pay the costs of educational effectiveness inservice for district staff from the revenue received for the excellence in teaching and curriculum program.

Subd. 4. [ACADEMIC EXCELLENCE FOUNDATION.] For support of the academic excellence foundation pursuant to section 121.612 there is appropriated:

\$53,000 _____ 1986,

\$55,400 _____ 1987.

Subd. 5. [BUSINESS INCENTIVE MATCHING PROGRAM.] For the business incentive matching program of the academic excellence foundation pursuant to section 121.612, subdivision 3, clause (g), there is appropriated:

\$300,000 _____ 1986.

The sum is available until June 30, 1987.

Subd. 6. [MANAGEMENT ASSISTANCE.] For management assistance to school districts there is appropriated:

\$150,000 _____ 1986,

\$150,000 _____ 1987.

The department may increase its authorized complement by three positions to provide management assistance to school districts.

Subd. 7. [LOCAL ASSESSMENT OPTION.] For testing of pupils in districts using the local assessment option pursuant to section 123.742, subdivision 2 or 2a there is appropriated:

\$234,000 _____ 1986,

\$600,000 _____ 1987.

Subd. 8. [ASSESSMENT ITEM BANK.] For development and implementation of the assessment item bank pursuant to section 123.742, subdivision 5, there is appropriated:

\$500,000 _____ 1986,

\$500,000 _____ 1987.

The department may increase its authorized complement in the assessment section by three professional positions for development and implementation

of the assessment item bank.

Subd. 9. [ADDITIONAL TESTS.] For development of additional tests pursuant to section 123.742, subdivision 5a, there is appropriated:

\$50,000 _____ 1986.

\$50,000 _____ 1987.

The department may increase its authorized complement in the assessment section by one professional position for development of the additional tests.

Subd. 10. [AID FOR PLANNING, EVALUATION, AND REPORTING PROCESS.] For aid for the planning, evaluation, and reporting process pursuant to section 123.7431 there is appropriated:

\$1,004,500 _____ 1987.

Subd. 11. [AID FOR EXCELLENCE IN TEACHING AND CURRICULUM.] For aid for excellence in teaching and curriculum there is appropriated:

\$8,859,000 _____ 1987.

This amount is based on an entitlement of \$10,422,000.

Subd. 12. [SUMMER PROGRAM AID.] For summer program aid pursuant to section 124A.033 there is appropriated:

\$7,878,600 _____ 1986.

\$9,162,700 _____ 1987.

The appropriation for fiscal year 1986 is for 1985 summer programs.

The appropriation for fiscal year 1987 is for 1986 summer programs.

Subd. 13. [PLANNING AID FOR EXCELLENCE IN TEACHING AND CURRICULUM.] For aid for planning for excellence in teaching and curriculum there is appropriated:

\$650,000 _____ 1986.

The sum is available until June 30, 1987.

Subd. 14. [COMPREHENSIVE LEARNING PROGRAMS.] For comprehensive learning programs grants there is appropriated:

\$450,000 _____ 1986.

Up to \$50,000 of this amount may be used for evaluation.

The sum is available until June 30, 1987.

Subd. 15. [STUDENT GROUPING ALTERNATIVES.] For grants to examine pupil grouping alternatives there is appropriated:

\$350,000 _____ 1986.

Up to \$40,000 of this amount may be used for evaluation.

The sum is available until June 30, 1987.

Subd. 16. [DISSEMINATION CENTER.] For the research and development dissemination center there is appropriated:

\$100,000 _____ 1986.

The sum is available until June 30, 1987.

Subd. 17. [TECHNOLOGY INSERVICE TRAINING.] For training for the use of technology in schools pursuant to section 129B.34 there is appropriated:

\$487,000 _____ 1986.

Subd. 18. [REGIONAL INSTRUCTIONAL COMPUTING COORDINATORS.] For regional instructional computing coordinators pursuant to section 129B.35 there is appropriated:

\$291,200 _____ 1986,

\$304,300 _____ 1987.

Subd. 19. [TECHNOLOGY DEMONSTRATION SITES.] For technology demonstration sites pursuant to section 129B.36 there is appropriated:

\$2,365,000 _____ 1986.

The sum is available until June 30, 1987.

Subd. 20. [COURSEWARE PACKAGE EVALUATION.] For courseware package evaluation pursuant to section 129B.37 there is appropriated:

\$106,000 _____ 1986,

\$110,800 _____ 1987.

Subd. 21. [COURSEWARE INTEGRATION CENTERS.] For courseware integration centers there is appropriated:

\$1,000,000 _____ 1986.

The sum is available until June 30, 1987.

Subd. 22. [COURSEWARE PURCHASE SUBSIDY.] For subsidies for purchases of courseware packages pursuant to section 129B.38 there is appropriated:

\$626,000 _____ 1986,

\$624,000 _____ 1987.

Subd. 23. [COURSEWARE PACKAGE DUPLICATION RIGHTS.] For purchase of courseware package duplication rights pursuant to section 129B.39 there is appropriated:

\$119,300 _____ 1986,

\$124,700 _____ 1987.

Subd. 24. [COURSEWARE PACKAGE DEVELOPMENT.] For courseware package development pursuant to section 129B.40 there is appropriated:

\$132,600 _____ 1986,

\$138,600 _____ 1987.

Subd. 25. [TECHNOLOGY IN SCHOOL DISTRICT MANAGEMENT.]

For grants for using technology in school district management there is appropriated:

\$225,000 _____ 1986.

The sum is available until June 30, 1987.

Subd. 26. [SCHOOL MANAGEMENT ASSESSMENT CENTER.] For support of the school management assessment center at the University of Minnesota there is appropriated:

\$26,000 _____ 1986,

\$27,200 _____ 1987.

Subd. 27. [SOUTHWEST MINNESOTA TELECOMMUNICATION PROJECT.] For a one-time grant to the fiscal agent for the southwest Minnesota telecommunications project there is appropriated:

\$200,000 _____ 1986.

The grant is for completion of a two-way interactive telecommunications system among the project's ten member school districts. The purposes of the system shall be:

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

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

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

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

(5) to facilitate cooperation in adult education programs with area AVTIs, Southwest State University, and Worthington Junior College;

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

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

The department shall conduct or contract for an independent evaluation of the project.

Subd. 28. [CANCELLATION AND PRORATION.] Except as provided in section 124.14, subdivision 7, 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 plus the amount of any transfers made according to section 124.14, subdivision 7, is insufficient, the aid for that year shall be prorated among all qualifying districts, and the state shall not be obligated for any amount in excess of the appropriations in this section for these purposes.

Sec. 57. [APPROPRIATIONS TO THE BOARD OF TEACHING.]

Subdivision 1. [BOARD OF TEACHING.] There is appropriated from the

general fund to the board of teaching the sums indicated in this section for the fiscal years ending June 30 in the years designated.

Subd. 2. [TEACHER EXAMINATIONS.] For duties related to teacher examinations there is appropriated:

\$75,000 _____ 1986,

\$75,000 _____ 1987.

Subd. 3. [EXEMPLARY TEACHER EDUCATION PROGRAMS.] For development of exemplary teacher education programs there is appropriated:

\$400,000 _____ 1986.

Up to \$50,000 of this sum may be used for evaluation. The sum is available until June 30, 1987.

Sec. 58. [APPROPRIATION TO THE STATE BOARD.]

The following sums are appropriated from the general fund to the state board of education for the fiscal years ending June 30 in the years indicated:

\$50,000 _____ 1986,

\$50,000 _____ 1987.

These appropriations are for state curriculum planning, evaluation, and reporting including expenses of the curriculum advisory committee. The authorized complement of the board shall be increased by one clerical position.

Sec. 59. [REPEALERS.]

Minnesota Statutes 1984, sections 121.601; 123.742, subdivision 2; and 129B.34, are repealed on June 30, 1986.

Sections 23, 46, 48, and 49 are repealed on June 30, 1987.

Minnesota Statutes 1984, sections 124.247, subdivision 6; 124A.03, subdivision 5; 129B.10; 129B.33, subdivisions 2, 3, 4, and 6; and 129B.36, subdivisions 2 and 3, are repealed.

Sec. 60. [EFFECTIVE DATES.]

Sections 16, 17, and 18 are effective September 1, 1985, for summer programs to be held in 1986 and thereafter.

Sections 8 and 14 are effective for the 1986-1987 school year and thereafter.

Sections 10 and 11 are effective for the 1987-1988 school year and thereafter.

Section 20 is effective for licenses issued on April 4, 1988, and thereafter.

ARTICLE 9

LIBRARIES

Section 1. [134.341] [COUNTY FINANCIAL SUPPORT.]

To ensure the availability of public library service to every person in the state, every county shall provide financial support for public library services at no less than minimum amounts as specified in sections 134.33 and 134.34.

and shall participate in the designated regional public library system to which it is assigned by the state board of education pursuant to section 134.34, subdivision 3. Each county board of commissioners shall appoint at least one county resident to serve as a representative to the regional public library system board and may appoint more than one representative under the terms and conditions of the regional public library system contract.

Sec. 2. Minnesota Statutes 1984, section 134.35, is amended to read:

134.35 [REGIONAL LIBRARY BASIC SYSTEM SUPPORT GRANTS; DISTRIBUTION FORMULA.]

Subdivision 1. [GRANT APPLICATION.] Any regional public library system which qualifies according to the provisions of section 134.34 may apply for an annual grant for regional library basic system support. The amount of each grant for each fiscal year shall be calculated as provided in this section.

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

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

Subd. 4. ~~The sum of \$35,000~~ *Seven and one-half percent of the available grant funds* shall be paid to each system as a base grant for basic system services.

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

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

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

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

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

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

system;

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

Sec. 3. Minnesota Statutes 1984, section 134.351, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT.] The state board of education, upon the advice of the advisory council to the office of ~~public libraries and interlibrary cooperation~~ library development and services, may approve the establishment of multi-county, multi-type library systems and the geographic boundaries of those systems.

Sec. 4. [APPROPRIATION.]

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

Subd. 2. [BASIC SUPPORT GRANTS.] *For basic support grants pursuant to sections 134.32 to 134.35 for the provision of library service there is appropriated:*

\$4,956,200 _____ 1986,

\$5,216,100 _____ 1987.

The appropriation for 1986 includes \$695,000 for aid for fiscal year 1985 payable in fiscal year 1986, and \$4,261,200 for aid for fiscal year 1986 payable in fiscal year 1986.

The appropriation for 1987 includes \$752,000 for aid for fiscal year 1986 payable in fiscal year 1987 and \$4,464,100 for aid for fiscal year 1987 payable in fiscal year 1987.

The appropriations are based on aid entitlements of \$5,013,200 for fiscal year 1986 and \$5,251,900 for fiscal year 1987.

Subd. 3. [MULTI-COUNTY, MULTI-TYPE LIBRARY SYSTEMS.] *For grants pursuant to sections 134.353 and 134.354 to multi-county, multi-type library systems there is appropriated:*

\$205,100 _____ 1986,

\$213,900 _____ 1987.

The appropriation for 1986 includes \$30,000 for aid for fiscal year 1985 payable in fiscal year 1986, and \$175,100 for aid for fiscal year 1986 payable in fiscal year 1986.

The appropriation for 1987 includes \$30,900 for fiscal year 1986 payable in fiscal year 1987, and \$183,000 for aid for fiscal year 1987 payable in fiscal year 1987.

The appropriations are based on aid entitlements of \$206,000 for fiscal year 1986, and \$215,200 for fiscal year 1987.

Sec. 5. [EFFECTIVE DATE.]

Section 1 is effective January 1, 1987.

ARTICLE 10

CASH FLOW

Section 1. Minnesota Statutes 1984, section 121.904, subdivision 4a, is amended to read:

Subd. 4a. [LEVY RECOGNITION.] (a) "School district tax settlement revenue" means the current, delinquent, and manufactured home property tax receipts collected by the county and distributed to the school district, including distributions made pursuant to section 279.37, subdivision 7, and excluding the amount levied pursuant to section 275.125, subdivision 9a, and Laws 1976, chapter 20, section 4.

(b) In June of each year, the school district shall recognize as revenue, in the fund for which the levy was made, the lesser of:

(1) the June and July school district tax settlement revenue received in that calendar year; or

(2) the sum of the state aids and credits enumerated in section 124.155, subdivision 2 which are for the fiscal year payable in that fiscal year plus ~~32~~ *the percent specified in subdivision 4d* of the amount of the levy certified in the prior calendar year according to section 275.125, subdivision 2d, plus or minus auditor's adjustments, not including levy portions that are assumed by the state; or

(3) ~~thirty-two~~ *the percent specified in subdivision 4d* of the amount of the levy certified in the prior calendar year, plus or minus auditor's adjustments, not including levy portions that are assumed by the state, which remains after subtracting, by fund, the amounts levied for the following purposes:

(i) reducing or eliminating projected deficits in the appropriated fund balance accounts for unemployment insurance and bus purchases;

(ii) statutory operating debt pursuant to section 275.125, subdivision 9a, and Laws 1976, chapter 20, section 4; and

(iii) retirement and severance pay pursuant to section 275.125, subdivision 6a, and Laws 1975, chapter 261, section 4; and

(iv) amounts levied for bonds issued and interest thereon, amounts levied for debt service loans and capital loans, and amounts levied pursuant to section 275.125, subdivision 14a.

(c) In July of each year, the school district shall recognize as revenue that portion of the school district tax settlement revenue received in that calendar year and not recognized as revenue for the previous fiscal year pursuant to clause (b).

(d) All other school district tax settlement revenue shall be recognized as revenue in the fiscal year of the settlement. Portions of the school district levy assumed by the state, including prior year adjustments and the amount to fund the school portion of the reimbursement made pursuant to section 273.425, shall be recognized as revenue in the fiscal year beginning in the calendar year for which the levy is payable.

Sec. 2. Minnesota Statutes 1984, section 121.904, subdivision 4c, is

amended to read:

Subd. 4c. [PROPERTY TAX SHIFT REDUCTION.] (a) ~~For the purpose of this subdivision, "combined fund balance" means the sum of the fund balance determined by the commissioner of finance pursuant to section 9 of this article, after transfers to the education aids increase account, plus the balance in the education aids increase account.~~

~~(b) If the combined fund balance exceeds \$58,000,000, If the forecasts of general fund revenues and expenditures prepared by the commissioner of finance pursuant to chapter 16A as of December 1, 1985, indicate a projected general fund balance for the biennium ending June 30, 1987, the levy recognition percent specified in subdivision 4a, clauses (b)(2) and (b)(3), shall be reduced for taxes payable in 1985 1986 or 1987 and thereafter according to the provisions of this subdivision.~~

~~(e) (b) The levy recognition percent shall equal the result of the following computation: $\frac{32}{100}$ the percent specified in subdivision 4d, times the ratio of~~

~~(1) the statewide total amount of levy recognized in June 1985 1986 pursuant to subdivision 4a, clause (b), reduced by the amount of the combined projected general fund balance in excess of \$50,000,000, specified in subdivision 4d, paragraphs (b) or (c), to~~

~~(2) the statewide total amount of the levy recognized in June 1985 1986 or 1987 pursuant to subdivision 4a, clause (b).~~

~~The result shall be rounded up to the nearest whole percent. However, in no case shall the levy recognition percent be reduced below 24 percent.~~

Sec. 3. Minnesota Statutes 1984, section 121.904, is amended by adding a subdivision to read:

Subd. 4d. [AID PAYMENT PERCENTAGE INCREASE AND PROPERTY TAX SHIFT REDUCTIONS.] *If the forecast of general fund revenues and expenditures prepared by the commissioner of finance pursuant to chapter 16A as of December 1985 indicates a projected general fund balance for the biennium ending June 30, 1987, one-half of the fund balance shall be used in the following manner in the order listed:*

(a) Up to the amount necessary to increase the aid payment percentage specified in section 124.195, subdivisions 7 and 10, by five percent, shall be used for that purpose. The increased aid payment percentage shall be rounded up to the nearest whole percent above 85 percent but shall not exceed 90 percent according to this paragraph.

(b) Up to the amount necessary to reduce the levy recognition percent specified in section 121.904, subdivision 4a, clauses (b)(2) and (b)(3), by five percent shall be used for that purpose. The levy recognition percent shall be rounded up to the nearest whole percent, but shall not be reduced below 19 percent according to this paragraph.

(c) Any additional amounts of the projected general fund balance shall be used alternately to increase the aid payment percentage by one percent then to reduce the levy recognition percentage by one percent. The aid payment percentage for credits according to section 273.1392, may be increased to 100 percent. The aid payment percentage for all other aids paid according to

section 124.195, subdivisions 7 and 10, shall not be increased above 95 percent. The levy recognition percentage may be reduced to zero.

Sec. 4. Minnesota Statutes 1984, section 121.904, is amended by adding a subdivision to read:

Subd. 4e. [PROCEDURES FOR TRANSFERS.] The commissioner of finance shall certify to the commissioner of education the amount available for computing the aid payment percentage and the levy recognition percent. The commissioner of education shall determine the method for increasing the aid payment percentage. The levy recognition percentage shall be reduced according to subdivision 4c. The commissioner of education shall compute the percentages and notify districts of the percentages within ten days of the certification. The commissioner of finance shall transfer from the general fund to the education aids, grants, and credits appropriations specified by the commissioner of education the amounts needed to make the additional payments required by subdivision 4d. The additional payments shall be included in the payments made according to section 124.195.

Sec. 5. Minnesota Statutes 1984, section 124.14, is amended by adding a subdivision to read:

Subd. 7. [APPROPRIATION TRANSFERS.] If a direct appropriation to the commissioner of education for education aids in chapters 121, 123, 124, 124A, 125, 126, 129B, and 134 exceeds the amount required for payment of the corresponding aid entitlement, the commissioner may transfer the excess to any education aid, grant, or credit appropriation that is insufficient to meet the required payment, except that a deficiency in the direct appropriation for foundation aid must be met by use of the appropriation in section 124A.032. The commissioner shall determine the method for allocating excess appropriations among aids, grants, or credits that have insufficient appropriations. The commissioner of finance shall make the necessary transfers among appropriations according to the determinations of the commissioner of education. The commissioner of education shall report appropriation transfers to the education committees of the legislature each year by January 15.

Sec. 6. Minnesota Statutes 1984, section 124.195, subdivision 7, is amended to read:

Subd. 7. [PAYMENTS TO SCHOOL NONOPERATING FUNDS.] Beginning in Each fiscal year 1984, state general fund payments to school for a district nonoperating funds fund shall be made at 85 a percent of the estimated entitlement during the fiscal year of the entitlement established according to section 121.904, subdivision 4d. This amount shall be paid in 12 equal monthly installments. The amount of the actual entitlement, after adjustment for actual data, minus the payments made during the fiscal year of the entitlement shall be paid prior to October 31 of the following school year.

Sec. 7. Minnesota Statutes 1984, section 124.195, subdivision 8, is amended to read:

Subd. 8. [PAYMENT PERCENTAGE FOR REIMBURSEMENT AIDS.] The following aids shall be paid at 100 percent of the entitlement for the prior fiscal year: ~~special education~~ summer foundation program aid according to section ~~124.201~~ 124A.033; abatement aid according to section 124.214, subdivision 2; special education residential aid according to section 124.32,

subdivision 5; special education summer school aid, according to section 124.32, subdivision 10; ~~veterans farm management aid, according to section 124.625; early retirement aid according to section 125.611;~~ and extended leave and part-time teacher aids according to chapters 354 and 354A.

Sec. 8. Minnesota Statutes 1984, section 124.195, subdivision 9, is amended to read:

Subd. 9. [PAYMENT PERCENTAGE FOR CERTAIN AIDS.] The following aids shall be paid at 100 percent of the entitlement for the current fiscal year: *reimbursement for transportation to post-secondary institutions, according to section 2, subdivision 2, of article 5; open enrollment transportation reimbursement, according to section 123.39, subdivision 14; handicapped adult program aid, according to section 124.271, subdivision 7; comprehensive learning grants, according to section 126.71; pupil grouping alternative grants, according to section 126.72; school lunch aid, according to section 124.646; hearing impaired support services aid, according to section 121.201; and educational improvement aids, according to sections 121.601, 129B.33, 129B.34, and 129B.36 and 129B.38.*

Sec. 9. Minnesota Statutes 1984, section 124.195, subdivision 10, is amended to read:

Subd. 10. [AID PAYMENT PERCENTAGE.] Except as provided in subdivisions 8 and 9, ~~beginning in each fiscal year 1984,~~ all education aids and credits in chapters 121, 123, 124, 124A, 125, 126, and section 273.1392, except post-secondary vocational shall be paid at ~~85~~ a percent of the estimated entitlement during the fiscal year of the entitlement *established according to section 121.904, subdivision 4d.* The amount of the actual entitlement, after adjustment for actual data, minus the payments made during the fiscal year of the entitlement shall be paid as the final adjustment payment according to subdivision 6.

Sec. 10. Minnesota Statutes 1984, section 124.195, subdivision 11, is amended to read:

Subd. 11. [NONPUBLIC AIDS.] The state shall pay to each school district ~~85~~ a percent, *established according to section 121.904, subdivision 4d,* of its aid for pupils attending nonpublic schools according to sections 123.931 to 123.947 by December 31. The final aid distribution shall be made by December 31 of the following school year.

Sec. 11. [APPROPRIATION FOR PAYMENT PERCENTAGE INCREASE.]

The sum of \$29,250,000 is appropriated from the general fund to the department of education for the fiscal year ending June 30, 1987, for the purpose of increasing the aid payment percentage specified in sections 124.195, subdivision 10, and 121.904, subdivision 4d. The commissioner shall determine the methodology used to increase the percentage for the specified aids and the payments to a school district of additional aids and credits resulting from the increase shall be added to the cash metering system, according to section 124.195, for fiscal year 1987.

Sec. 12. [REDUCTIONS FOR REVENUE EQUITY.]

In accordance with sections 124.2138 and 124A.037, aid payments shall

be reduced by the following amounts for the fiscal years ending June 30 in the years designated.

\$4,429,100 _____ 1986,

\$5,666,300 _____ 1987.”

Delete the title and insert:

“A bill for an act relating to education; providing for aids for education and for libraries, tax levies and the distribution of tax revenues; granting certain powers and duties to school boards, school districts, state board of education, board of teaching, and higher education coordinating board; modifying certain aspects of foundation aid; providing for payment of certain obligations to employees by school districts; providing for open enrollment among school districts with certain limitations; establishing the Minnesota arts resource center; providing for certain programs relating to teachers and pupils; amending Minnesota Statutes 1984, sections 120.03, subdivision 1, and by adding a subdivision; 120.06, subdivision 1; 120.10, subdivision 1; 120.11; 120.15; 120.17, subdivisions 1, 2, 3, 3a, and by adding subdivisions; 121.151; 121.608; 121.609; 121.612, subdivision 3, and by adding a subdivision; 121.88; 121.882; 121.904, subdivisions 4a, 4c, and by adding subdivisions; 121.912, subdivision 1; 121.931, subdivision 7; 121.936, subdivisions 1 and 2; 122.531, subdivisions 5 and 6; 122.86, subdivision 1; 123.36, subdivision 1; 123.39, by adding subdivisions; 123.705, subdivision 1; 123.742, subdivisions 1, 3, 5, and by adding subdivisions; 123.7431; 124.09; 124.14, by adding a subdivision; 124.17, subdivision 1; 124.175; 124.19, subdivisions 1 and 5; 124.195, subdivisions 7, 8, 9, 10, and 11; 124.223; 124.225, subdivisions 1, 3, 4b, 7a, 7b, 8a, 8b, and 10; 124.245; 124.247, subdivision 3; 124.26; 124.271, subdivision 2b, and by adding a subdivision; 124.2711; 124.32, subdivisions 1b, 1d, 2, 5, 7, 10, and by adding a subdivision; 124.573, subdivisions 2 and 3a; 124.574, subdivision 2b; 124.76, subdivision 2; 124A.02, subdivisions 7, 8, and 9; 124A.03, subdivision 4; 124A.033, subdivisions 2, 3, and 5; 124A.036, by adding subdivisions; 124A.06, subdivision 1, and by adding subdivisions; 124A.10, subdivision 1, and by adding a subdivision; 124A.12, subdivision 1; 124A.14, subdivisions 1, 3, and 4, and by adding subdivisions; 124A.16; 125.03, by adding a subdivision; 125.05, subdivision 1, and by adding a subdivision; 125.12, by adding a subdivision; 125.182, subdivision 1; 125.185, subdivision 4; 125.60, subdivision 3; 129B.04, by adding a subdivision; 129B.17; 129B.20; 129B.21; 129B.34, subdivisions 2 and 3; 129B.35; 129B.36, subdivisions 1, 4, and 5; 129B.37, subdivision 1; 129B.38; 129B.39; 129B.40; 134.35; 134.351, subdivision 1; 136D.27; 136D.74, subdivision 2; 136D.87; 275.125, subdivisions 5b, 5c, 5d, 8, 8b, 11a, and by adding subdivisions; 298.24, subdivision 3; 298.28, subdivision 1; 354.092; 354.094, subdivision 1; 354.43, subdivision 3; 354.53, subdivision 1; 354.66, subdivisions 3 and 4; 354A.094, subdivision 2; 354A.12, subdivision 2; 355.208; 355.209; 355.287; 355.288; 355.46, subdivision 3; amending Laws 1973, chapter 683, section 26, as amended; Laws 1973, chapter 683, section 26, subdivision 17, as amended; Laws 1983, chapter 314, article 8, section 11; proposing coding for new law in Minnesota Statutes, chapters 120; 121; 123; 124; 126; 129B; 134; and 136A; repealing Minnesota Statutes 1984, sections 120.03, subdivisions 2, 3, and 4; 120.68; 121.11; subdivision 7a; 121.601; 122.531, subdivision 3a; 122.89; 123.35,

subdivision 14; 123.705, subdivision 2; 123.742, subdivision 2; 123.80, subdivisions 2 and 3; 124.225, subdivisions 4a, 8c, 8d, 8e, 8f, 8g, and 8h; 124.245, subdivision 1; 124.247, subdivision 6; 124.271, subdivisions 2, 2a, and 2c; 124.272; 124.32, subdivision 9a; 124A.02, subdivisions 4a, 17, and 18; 124A.03, subdivision 5; 125.05, subdivision 5; 126.60, subdivision 4; 126.64, subdivision 1; 129B.03; 129B.10; 129B.18; 129B.19; 129B.33, subdivisions 2, 3, 4, and 6; 129B.34; 129B.36, subdivisions 2 and 3; 275.125, subdivision 8a; 354.43, subdivisions 4 and 5; 354.66, subdivision 4a; 354A.12, subdivision 3; 355.46, subdivisions 1, 2, and 5; and 355.47.”

And when so amended the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Amendments adopted. Report adopted.

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

H.F. No. 953 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for 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.
953	1096				

and that the above 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. Report adopted.

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

H.F. No. 1065 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for 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.
1065	1101				

and that the above 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. Report adopted.

Mr. Solon from the Committee on Economic Development and Commerce, to which was referred

S.F. No. 1113: A bill for an act relating to insurance; requiring provision of certain information by insurers; regulating certain provisions of surplus lines insurance; regulating the conditions of certain insurance policies; providing for the organization of certain insurance-related associations; prohibiting certain practices; amending Minnesota Statutes 1984, sections 60A.10;

60A.131, subdivision 1; 60A.17, subdivision 1a; 60A.1701, subdivisions 5 and 10; 60A.197; 60C.08, subdivision 1; 61B.05, subdivision 1; 62A.10, by adding a subdivision; 62A.146; 62A.17, subdivision 6; 62B.05; 62D.19; 62E.10, subdivision 2; 62E.12; 62E.16; 65A.32; 65A.33; 65A.34, subdivision 1; 65A.35, subdivisions 1 and 2; 65A.37; 65A.40; 65A.41; 65B.03; 65B.63, subdivision 1; 65B.44, subdivision 1; 67A.25, subdivision 1; 72A.20, subdivision 15; 79.252, subdivision 4; and 79.62; proposing coding for new law in Minnesota Statutes, chapters 61A; 62A; and 65B; repealing Minnesota Statutes 1984, sections 60A.15, subdivision 14; and 62A.025.

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

Page 1, after line 23, insert:

"Section 1. Minnesota Statutes 1984, section 60A.02, subdivision 7, is amended to read:

Subd. 7. [INSURANCE AGENT OR INSURANCE AGENCY.] An "insurance agent" or "insurance agency" is a person acting under express authority from, and an appointment pursuant to section 60A.17 by, an insurer and on its behalf to solicit insurance, or to appoint other agents to solicit insurance, or to write and countersign policies of insurance, or to collect premiums therefor within this state, or to exercise any or all these powers when so authorized by the insurer. The term "person" includes a natural person, a partnership, ~~or~~ a corporation, *or other entity, including an insurance agency.*"

Page 6, line 5, after "of" strike "the"

Page 6, line 6, strike "equivalent of 45" and insert "30" and after "hours" insert "of"

Page 6, line 6, strike everything after "study"

Page 6, line 7, strike everything before "the" and insert "*devoted to the basic fundamentals of insurance for those seeking a Minnesota license for the first time, 30 hours devoted to specific life and health topics for those seeking a life and health license, and 30 hours devoted to specific property and casualty topics for those seeking a property and casualty license.*"

Page 6, line 13, strike "an admitted insurer" and insert "*the organization offering the course*"

Page 6, line 14, strike "agent's" and insert "*applicant's*"

Page 9, lines 35 and 36, reinstate the stricken language

Page 9, line 35, after the reinstated "for" insert "*noncontributory credit*"

Page 9, line 36, after the reinstated "insurance" insert "*and employees of retail sales companies who enroll persons in group credit life or accident and health insurance policies*"

Page 10, lines 1 and 2, reinstate the stricken language

Page 12, lines 5 to 7, delete the new language

Pages 12 and 13, delete section 8, and insert:

"Sec. 9. [SALE OF LIFE INSURANCE AND ANNUITY AS SINGLE

POLICY PROHIBITED.]

Subdivision 1. [SALE AS SINGLE POLICY PROHIBITED.] The sale of a life insurance product and an annuity as a single policy, whether in the form of a life insurance policy with an annuity rider or otherwise, is prohibited in this state. This subdivision does not prohibit the simultaneous sale of these products, but the sale must involve two separate and distinct policies.

Subd. 2. [TYING PROHIBITED.] The tying of the sale of a life insurance product and an annuity is expressly prohibited. The sale of one policy cannot be conditioned upon the sale of a second policy. A violation of subdivision 1 is an unfair and deceptive trade practice under chapter 72A.

Subd. 3. [IMPLEMENTATION.] This section applies to all sales where applications are completed on or after the effective date of this section."

Page 13, lines 12 to 14, delete the new language

Page 13, delete section 10

Page 15, lines 13 to 15, delete the new language and insert "The required conversion contract must treat pregnancy the same as any other covered illness under the conversion contract."

Pages 16 and 17, delete section 13

Page 19, delete lines 15 to 20

Page 20, line 14, delete "commissioner" and insert "governor"

Page 21, line 10, after "is" insert "medically necessary,"

Page 21, lines 24 to 27, delete the new language and insert "The required conversion contract must treat pregnancy the same as any other covered illness under the conversion contract."

Pages 22 to 26, delete sections 19 to 26

Page 26, line 28, delete "commissioner" and insert "governor"

Page 27, line 1, strike everything after the period

Page 27, strike lines 2 to 5

Pages 27 and 28, delete sections 28, 29 and 30

Page 28, after line 17, insert:

"Sec. 19. Minnesota Statutes 1984, section 65B.43, is amended by adding a subdivision to read:

Subd. 16. "Political subdivision" means any statutory or home rule charter city; county; town; school district; or metropolitan council, board or commission operating under chapter 473.

Sec. 20. Minnesota Statutes 1984, section 65B.48, subdivision 3a, is amended to read:

Subd. 3a. To carry out the purposes of subdivision 3, the commissioner may adopt rules pursuant to chapter 14, including emergency rules. These rules may:

(a) establish reporting requirements;

(b) establish standards or guidelines to assure the adequacy of the financing and administration of self-insurance plans;

(c) establish bonding requirements or other provisions assuring the financial integrity of entities that self-insure *other than bonding requirements for self-insuring political subdivisions*; and

(d) establish other reasonable requirements to further the purposes of this section."

Page 28, line 29, delete "commissioner" and insert "governor"

Page 29; delete section 32

Pages 30 and 31, delete section 34

Page 31, after line 14, insert:

"Sec. 23. Minnesota Statutes 1984, section 72A.20, is amended by adding a subdivision to read:

Subd. 17. [RETURN OF PREMIUMS UPON DEATH OF INSURED.] Refusing, upon surrender of an individual policy, to refund to the estate of the insured all unearned premiums paid on the policy covering the insured as of the time of the insured's death if the unearned premium is for a period of more than one month.

The insurer may deduct from the premium any previously accrued claim for loss or damage under the policy.

For the purposes of this section, a premium is unearned during the period of time the insurer has not been exposed to any risk of loss."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 8, after "sections" insert "60A.02, subdivision 7;"

Page 1, line 11, delete everything after "1;"

Page 1, line 13, delete everything after the third semicolon

Page 1, delete line 14

Page 1, line 15, delete everything before "65B.03;" and after "65B.03;" insert "65B.43, by adding a subdivision; 65B.48, subdivision 3a;"

Page 1, line 16, delete everything before "67A.25" and after "72A.20," insert "by adding a subdivision;"

Page 1, line 17, delete "subdivision 15;"

Page 1, delete line 18

Page 1, line 19, delete everything before "repealing"

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

Mr. Merriam from the Committee on Agriculture and Natural Resources, to which was referred

S.F. No. 1009: A bill for an act relating to water pollution control; estab-

lishing a state financial assistance program for the abatement of combined sewer overflow; reauthorizing the state independent grants program; appropriating money; amending Minnesota Statutes 1984, sections 116.16, subdivisions 1, 2, and 5; 116.18, subdivisions 1, 3, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 116; repealing Minnesota Statutes 1984, section 116.18, subdivision 2.

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

Pages 2 to 4, delete section 2 and insert:

"Sec. 2. Minnesota Statutes 1984, section 116.16, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] In this section and sections 116.17 and 116.18:

(H) (a) "Agency" means the Minnesota pollution control agency created by this chapter.

(2) (b) "Combined sewer" means a sewer that is designed and intended to serve as a sanitary sewer and a storm sewer, or as an industrial sewer and a storm sewer.

(c) "Combined sewer overflow" means a discharge of a combined sewer directly or indirectly into the waters of the state, that occurs when the volume of wastewater flow exceeds the conveyance or storage capacity of a combined sewer.

(d) "Combined sewer overflow abatement plan" means the plan approved by the agency which constitutes the basis for a combined sewer overflow construction schedule contained in a permit, stipulation agreement, consent decree, or order issued by the agency.

(e) "Municipality" means any county, home rule charter or statutory city, and town, the metropolitan waste control commission established in chapter 473 and the metropolitan council when acting under the provisions of that chapter or an Indian tribe or an authorized Indian tribal organization, and any other governmental subdivision of the state responsible by law for the prevention, control, and abatement of water pollution in any area of the state.

(3) (f) "Pollution control fund" means the Minnesota state water pollution control fund created by subdivision 1.

(4) (g) "Bond account" means the Minnesota state water pollution control bond account created in the state bond fund by section 116.17, subdivision 4.

(5) (h) Terms defined in section 115.01 have the meanings therein given them.

(6) Subd. 2a. [ELIGIBLE COST OF MUNICIPAL PROJECTS.] The eligible cost of any municipal project, except as otherwise provided in clauses (7) subdivisions 2b and (8) 2c, includes:

(a) (1) preliminary planning to determine the economic, engineering, and environmental feasibility of the project;

(b) (2) engineering, architectural, legal, fiscal, economic, sociological,

project administrative costs of the agency and the municipality, and other investigations and studies;

(e) (3) surveys, designs, plans, working drawings, specifications, procedures, and other actions necessary to the planning, design, and construction of the project;

(f) (4) erection, building, acquisition, alteration, remodeling, improvement, and extension of disposal systems *and projects for the abatement of combined sewer overflow*;

(g) (5) inspection and supervision of construction; and

(h) (6) all other expenses of the kinds enumerated in section 475.65.

(7) *Subd. 2b. [ELIGIBLE COST FOR GRANT AND LOAN PURPOSES.]* (a) For state grant or loan purposes hereunder, the eligible cost for grant or loan applicants shall be the eligible cost as determined by the agency under the regulations promulgated by the United States environmental protection agency under the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1314, et seq.

(8) (b) Notwithstanding ~~clause (7) paragraph (a)~~, for state grants under the state independent grants program, the eligible cost includes:

(1) the acquisition of land for stabilization ponds ~~and~~;

(2) *the provision of collector sewers for totally unsewered, incorporated municipalities;*

(3) the provision of reserve capacity sufficient to serve the reasonable needs of the municipality for 20 years in the case of treatment works and 40 years in the case of sewer systems; *and*

(4) *the acquisition of easements necessary for implementing the combined sewer overflow abatement plan.*

(c) Notwithstanding ~~clause (7) paragraph (a)~~, for state grants under the state independent grants program, the eligible cost does not include ~~the provision of collector sewers as defined in agency rules;~~

(1) *the abatement of combined sewer overflows into the Mississippi River from its confluence with the Rum River to its confluence with the St. Croix River, the provision of collector sewers in other than totally unsewered, incorporated municipalities;*

(2) the provision of service to seasonal homes; ~~or~~;

(3) cost increases from contingencies that exceed three percent of as-bid costs or cost increases from unanticipated site conditions that exceed an additional two percent of as-bid costs; *or*

(4) *the preparation of combined sewer overflow abatement plans, acquisition of interests in real property other than easements, storm water treatment facilities, or costs for a program to disconnect a structure or device, excluding catch basins on public property, constructed to direct or convey storm water, snow melt, or surface water from private or public property into a public sanitary or combined sewer."*

Page 5, line 29, after "governed" insert ":(1)"

Page 5, line 30, delete the comma and insert ":(2) a"

Page 5, line 31, delete everything before "order" and insert "agreement; (3) a consent decree; or (4) an"

Page 5, line 34, delete "emergency"

Page 6, line 6, delete "such"

Page 6, line 7, delete everything after the period

Page 6, delete lines 8 and 9

Page 8, line 34, delete "rainleader disconnection"

Page 8, line 35, before the period, insert " , to disconnect a structure or device, excluding catch basins on public property, constructed to direct or convey storm water, snow melt, or surface water from private or public property into a public sanitary or combined sewer"

Page 9, delete section 8 and insert:

"Sec. 8. [APPROPRIATION.]

\$_____ is appropriated from the general fund to the Minnesota state water pollution control fund. This appropriation is available until expended.

\$_____ is appropriated from the general fund to the agency for the administration of the state financial assistance program for combined sewer overflow abatement. The complement of the agency is increased by eight positions."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 1145, 1224, 1325, 1151, 99, 1103, 335, 670, 1167, 1152, 1086, 1197, 453, 1244, 1334, 1234, 283, 598, 1278, 1051, 885, 1050, 781, 560, 1126, 1049, 901, 1404, 1075, 1187, 1307, 1189, 1165, 1291, 1411, 1358, 1062, 1347, 1353, 846, 756 and 1113 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 953 and 1065 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Merriam moved that his name be stricken as a co-author to S.F. No. 1036. The motion prevailed.

Ms. Reichgott moved that the name of Mr. DeCramer be added as a co-author to S.F. No. 1036. The motion prevailed.

Mr. Chmielewski moved that the name of Mr. Bertram be added as a co-author to S.F. No. 1064. The motion prevailed.

Mr. Stumpf moved that his name be stricken as chief-author, shown as a

co-author and the name of Mr. Chmielewski be added as chief-author to S.F. No. 1342. The motion prevailed.

Mr. Lessard moved that the name of Mr. Johnson, D.J. be added as a co-author to S.F. No. 1353. The motion prevailed.

Mr. Dahl moved that the name of Mr. Jude be added as a co-author to S.F. No. 1442. The motion prevailed.

Mr. Merriam moved that the name of Mr. Dahl be added as a co-author to S.F. No. 1443. The motion prevailed.

Mr. Davis introduced—

Senate Resolution No. 68: A Senate resolution stating the sense of the Senate that adequate funding for the Soil Conservation Service and the Agricultural Stabilization and Conservation Service should be restored.

Referred to the Committee on Rules and Administration.

Mr. Chmielewski introduced—

Senate Concurrent Resolution No. 15: A Senate concurrent resolution designating the "Red Ribbon" to commemorate Minnesota citizens who are still missing in action or are being held against their will in Asian countries.

Referred to the Committee on Rules and Administration.

Mr. Dicklich moved that S.F. No. 1251 be withdrawn from the Committee on Employment and re-referred to the Committee on Governmental Operations. The motion prevailed.

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the Consent Calendar. The motion prevailed.

CONSENT CALENDAR

H.F. No. 327: A bill for an act relating to transportation; defining "trees" and "hedges" for purposes of removal from highway right-of-way; amending Minnesota Statutes 1984, section 160.22, 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 58 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Kamrath	Moe, R.D.	Renneke
Anderson	Diessner	Kroening	Nelson	Samuelson
Belanger	Dieterich	Kronebusch	Novak	Schmitz
Benson	Frank	Laidig	Olson	Sieloff
Berg	Frederick	Langseth	Pehler	Solon
Berglin	Frederickson	Lantry	Peterson, C.C.	Spear
Bernhagen	Freeman	Lessard	Peterson, D.C.	Stumpf
Bertram	Gustafson	Luther	Peterson, D.L.	Taylor
Chmielewski	Hughes	McQuaid	Peterson, R.W.	Waldorf
Dahl	Isackson	Mehrkens	Petty	Wegscheid
Davis	Johnson, D.J.	Merriam	Purfeerst	
DeCramer	Jude	Moe, D.M.	Reichgott	

So the bill passed and its title was agreed to.

H.F. No. 894: A bill for an act relating to utilities; defining independent telephone company; amending Minnesota Statutes 1984, section 237.01, subdivision 3.

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 58 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Kamrath	Moe, R.D.	Reichgott
Anderson	Diessner	Kroening	Nelson	Samuelson
Belanger	Dieterich	Kronebusch	Novak	Schmitz
Benson	Frank	Laidig	Olson	Sietloff
Berg	Frederick	Langseth	Pehler	Solon
Berglin	Frederickson	Lantry	Peterson, C.C.	Spear
Bernhagen	Freeman	Lessard	Peterson, D.C.	Stumpf
Bertram	Gustafson	Luther	Peterson, D.L.	Taylor
Chmielewski	Hughes	McQuaid	Peterson, R.W.	Waldorf
Dahl	Isackson	Mehrkins	Petty	Wegscheid
Davis	Johnson, D.J.	Merriam	Purfeerst	
DeCramer	Jude	Moe, D.M.	Ramstad	

So the bill passed and its title was agreed to.

H.F. No. 928: A bill for an act relating to recreational vehicles; requiring registration of snowmobiles; exemption; abolishing special registration requirements for collector's snowmobiles; amending Minnesota Statutes 1984, section 84.82, subdivision 6, and by adding a subdivision; repealing Minnesota Statutes 1984, section 84.82, subdivision 9.

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 2, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Jude	Moe, R.D.	Ramstad
Anderson	Diessner	Kamrath	Nelson	Reichgott
Belanger	Dieterich	Kronebusch	Novak	Renneke
Benson	Frank	Laidig	Olson	Schmitz
Berglin	Frederick	Langseth	Pehler	Sietloff
Bernhagen	Frederickson	Lantry	Peterson, C.C.	Solon
Bertram	Freeman	Lessard	Peterson, D.C.	Spear
Chmielewski	Gustafson	McQuaid	Peterson, D.L.	Stumpf
Dahl	Hughes	Mehrkins	Peterson, R.W.	Taylor
Davis	Isackson	Merriam	Petty	Waldorf
DeCramer	Johnson, D.J.	Moe, D.M.	Purfeerst	Wegscheid

Messrs. Berg and Samuelson voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 767: A bill for an act relating to local government; allowing for an increase in the appropriation a county may make for a county humane society in any year; authorizing the county board of Otter Tail county to adopt an ordinance for the control of dogs and cats; amending Minnesota Statutes 1984, section 343.11.

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 57 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Kamrath	Nelson	Renneke
Anderson	Diessner	Kroening	Novak	Samuelson
Belanger	Dieterich	Kronebusch	Olson	Schmitz
Benson	Frank	Langseth	Pehler	Sieloff
Berg	Frederick	Lantry	Peterson, C.C.	Solon
Berglin	Frederickson	Lessard	Peterson, D.C.	Spear
Bernhagen	Freeman	Luther	Peterson, D.L.	Stumpf
Bertram	Gustafson	McQuaid	Peterson, R.W.	Waldorf
Chmielewski	Hughes	Mehrkens	Petty	Wegscheid
Dahl	Isackson	Merriam	Purfeerst	
Davis	Johnson, D.J.	Moe, D.M.	Ramstad	
DeCramer	Jude	Moe, R.D.	Reichgott	

So the bill passed and its title was agreed to.

H.F. No. 621: A bill for an act relating to mental health; revising the language of statutes concerning persons with mental illness and mental retardation and revising the language of statutes concerning state treatment facilities; amending Minnesota Statutes 1984, sections 147.021, subdivision 1; 243.55, subdivision 3; 245.072; 245.52; 245.821, subdivision 1; 245.825, subdivision 1; 246.01; 246.013; 246.014; 246.13; 246.23; 246.234; 246.41; 246.50; 246.511; 246.52; 246.53; 246.54; 246.55; 246.56; 252.025; 252.05; 252.06; 252.07; 252.09; 252.10; 252.21; 252.22; 252.23; 252.24; 252.25; 252.27; 252.275, subdivisions 1 and 7; 252.28; 252.291; 252.30; 252.31; 252.32; 253.015; 253.10; 253.19; 253.20; 253.21; 253.25; 253.26; 256.01, subdivisions 2 and 5; 256.91; 256.93, subdivision 1; 256B.02, subdivisions 2 and 8, and by adding a subdivision; 256B.092; 256B.36; 256B.501; 256E.03, subdivision 2; 256E.06, subdivision 2a; 260.092; 260.36; 284.05; 299F.77; 447.42; 447.45; 501.27; and 517.03; proposing coding for new law in Minnesota Statutes, chapter 252.

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 58 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Kamrath	Moe, R.D.	Renneke
Anderson	Diessner	Kroening	Nelson	Samuelson
Belanger	Dieterich	Kronebusch	Novak	Schmitz
Benson	Frank	Laidig	Olson	Sieloff
Berg	Frederick	Langseth	Pehler	Solon
Berglin	Frederickson	Lantry	Peterson, D.C.	Spear
Bernhagen	Freeman	Lessard	Peterson, D.L.	Stumpf
Bertram	Gustafson	Luther	Peterson, R.W.	Taylor
Chmielewski	Hughes	McQuaid	Petty	Waldorf
Dahl	Isackson	Mehrkens	Purfeerst	Wegscheid
Davis	Johnson, D.J.	Merriam	Ramstad	
DeCramer	Jude	Moe, D.M.	Reichgott	

So the bill passed and its title was agreed to.

S.F. No. 1320: A bill for an act relating to health; establishing a system of regional poison information centers; providing for less frequent program re-

porting; rescinding permission for poison control centers to contract with centers in other states; amending Minnesota Statutes 1984, section 145.93, subdivisions 1, 3, 4, and 6; repealing Minnesota Statutes 1984, section 145.93, 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 58 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Kamrath	Moe, R.D.	Renneke
Anderson	Diessner	Knaak	Nelson	Samuelson
Belanger	Dieterich	Kronebusch	Novak	Schmitz
Benson	Frank	Laidig	Olson	Sieloff
Berg	Frederick	Langseth	Pehler	Solon
Berglin	Frederickson	Lantry	Peterson, D.C.	Spear
Bernhagen	Freeman	Lessard	Peterson, D.L.	Stumpf
Bertram	Gustafson	Luther	Peterson, R.W.	Taylor
Chmielewski	Hughes	McQuaid	Petty	Waldorf
Dahl	Isackson	Mehrkens	Purfeerst	Wegscheid
Davis	Johnson, D.J.	Merriam	Ramstad	
DeCramer	Jude	Moë, D.M.	Reichgott	

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the General Orders Calendar. The motion prevailed.

GENERAL ORDERS

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

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

S.F. Nos. 152, 568, 330, 127, 675, 468, 126, 798, 563, 566, 882, 219, 281, 597, 70, 381, 693, 623, 709, 557, 1088, 827, 441, 285, 521, 930, 1073 and 295 which the committee recommends to pass.

S.F. No. 351, which the committee recommends be returned to its author.

S.F. No. 485, which the committee recommends to pass with the following amendment offered by Mr. Merriam:

Page 2, line 32, delete "*by clear and convincing evidence*"

The motion prevailed. So the amendment was adopted.

S.F. No. 82, which the committee recommends to pass with the following amendment offered by Mr. Diessner:

Page 1, line 10, reinstate the stricken language and delete the commas

Page 1, line 10, after "SURVEYS" insert "*AND CONDOMINIUM FLOOR PLANS*"

Page 1, line 11, delete "AND FLOOR PLANS"

Page 1, delete lines 22 to 25

Page 2, delete lines 1 to 5 and insert:

"Subd. 2. [CONDOMINIUM FLOOR PLANS.] A county board may, by ordinance adopted in accordance with section 375.51, require that each condominium floor plan submitted for recordation after July 31, 1985, be approved by the county surveyor or other licensed surveyor hired for this purpose by the county, for compliance with section 515A.2-110, before recording. The process of approving the floor plans must be conducted in an expeditious manner so as not to unduly delay the recording of the floor plans. The proprietor of the condominium floor plan may be charged a reasonable fee for the service in accordance with a schedule established by resolution passed by the governing body of the county."

The motion prevailed. So the amendment was adopted.

S.F. No. 448, which the committee recommends to pass with the following amendment offered by Mr. Wegscheid:

Page 1, line 10, after the first "officer" insert "*licensed under section 626.845, subdivision 1,*"

The motion prevailed. So the amendment was adopted.

S.F. No. 728, which the committee recommends to pass with the following amendment offered by Mr. Wegscheid:

Page 1, line 6, delete the period after the initial "S"

Page 1, line 8, delete "court"

Page 1, line 19, delete "1946" and insert "1948"

Page 2, lines 5 and 7, delete the period after the initial "S"

Amend the title as follows:

Page 1, line 3, delete the period after the initial "S"

The motion prevailed. So the amendment was adopted.

S.F. No. 805, which the committee recommends to pass with the following amendments offered by Mr. Spear:

Page 1, line 11, after "in" insert "a"

Page 1, line 11, delete "*sheltered*" and after "*employment*" insert "*program*,"

Page 1, line 16, after "*provide*" insert "*to participants in a long-term employment program*"

The motion prevailed. So the amendment was adopted.

Mr. Spear then moved to amend S.F. No. 805 as follows:

Page 2, after line 26, insert:

"Sec. 3. Minnesota Statutes 1984, section 129A.08, subdivision 5, is amended to read:

Subd. 5. [RULE AUTHORITY.] In addition to the powers already conferred on him by law, the commissioner shall promulgate rules on:

(a) state certification of all long-term sheltered workshops and work activity programs;

(b) eligibility of community long-term sheltered workshops and work activity programs to receive state grants;

(c) standards for qualification of personnel and quality of professional service and for in-service training and education leave programs for personnel;

(d) eligibility for service so that no person will be denied service on the basis of race, creed or color;

(e) regulatory fees for consultation services;

(f) standards and criteria by which handicapped persons are to be judged eligible for the services;

(g) evaluation criteria for long-term sheltered workshops; and

(h) program evaluation criteria for work activity programs in order to determine the extent to which these programs meet the goals and objectives established in state and federal law relating to work activity programs.

The rules on evaluation criteria for long-term sheltered workshops must be in effect by July 1, ~~1985~~ 1986. The rules must be used in making allocations for fiscal years beginning after June 30, ~~1986~~ 1987."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "changing the effective date for long-term sheltered workshop evaluation criteria rules;"

Page 1, line 4, delete "section" and insert "sections" and after the semicolon, insert "and 129A.08, subdivision 5;"

The motion prevailed. So the amendment was adopted.

S.F. No. 581, which the committee reports progress, subject to the following motion:

Mr. Wegscheid moved to amend S.F. No. 581, as follows:

Page 2, after line 3, insert:

"Investment company shares authorized pursuant to this subdivision shall not exceed 20 percent of the banks' capital stock and paid in surplus. These obligations shall be carried at the lower of cost or market on the banks' books and adjusted to market on a quarterly basis."

The motion prevailed. So the amendment was adopted.

S.F. No. 581 was then progressed.

S.F. No. 519, which the committee recommends to pass with the following amendment offered by Mr. Freeman:

Page 2, line 25, delete "provision" and insert "provisions"

The motion prevailed. So the amendment was adopted.

S.F. No. 437, which the committee recommends to pass with the following amendment offered by Mr. Petty:

Page 25, line 35, delete "association" and insert "society"

Pages 28 and 29, delete section 37 and insert:

"Sec. 37. [64B.37] [PENALTIES.]

Subdivision 1. [VIOLATIONS GENERALLY.] Any person violating the provisions of section 14, subdivisions 2 and 3, shall be guilty of a felony; and, upon conviction, liable to a fine of not more than \$10,000, or to imprisonment for not more than five years, or to both fine and imprisonment.

Subd. 2. [FALSE OR FRAUDULENT STATEMENTS OR REPRESENTATIONS.] Any person, officer, member, or examining physician, who shall knowingly or willfully make any false or fraudulent statement or representation in, or with reference to, any application for membership for the purpose of obtaining money from or benefit in any society transacting business under this chapter shall be guilty of a misdemeanor:

(1) any person who shall willfully make a false statement of any material fact or thing in a sworn statement as to the death or disability of a certificate holder in any such society, for the purpose of procuring payment of a benefit named in the certificate of such holder, and any person who shall willfully make any false statement and any verified report or declaration under oath, required or authorized under this article, shall be guilty of perjury and shall be proceeded against and punished as provided by the statutes of this state in relation to the crime of perjury;

(2) any person who shall solicit membership for, or in any manner assist in procuring membership in, any society not licensed to do business in this state, or who shall solicit membership for or in any manner assist in procuring membership in, any such society not authorized to do business in this state, shall be guilty of a misdemeanor; and, upon conviction thereof, punished by fine of not more than \$100;

(3) any society, or any officer, agent, or employee thereof, neglecting, refusing to comply with, or violating, any of the provisions of this chapter, the penalty for which neglect, refusal, or violation is not specified in this section, shall be fined not exceeding \$100 upon conviction thereof."

Page 33, line 2, strike "beneficiary association" and insert "benefit society"

The motion prevailed. So the amendment was adopted.

S.F. No. 359, which the committee recommends to pass with the following amendment offered by Mr. Dieterich:

Page 1, line 11, strike "clauses"

Page 1, line 12, strike "(a), (b), (c), (d)" and insert "this section"

The motion prevailed. So the amendment was adopted.

S.F. No. 221, which the committee recommends to pass, subject to the following motions:

Mr. Moe, D.M. moved to amend S.F. No. 221 as follows:

Page 1, line 12, delete "9" and insert "8"

Page 2, line 27, delete "9" and insert "8"

Page 2, line 32, delete "8" and insert "7"

Page 5, line 29, delete ", and"

Page 5, line 30, delete the language before "shall"

Pages 9 and 10, delete section 8

Renumber the sections in sequence

The motion prevailed. So the amendment was adopted.

Mr. Bernhagen moved to amend S.F. No. 221 as follows:

Page 9, after line 24, insert:

"Sec. 8. [TERMINATION BY GOVERNOR.]

The commissioner's authority under sections 3 and 4 to set minimum prices or to implement supply management or orderly marketing procedures for agricultural commodities may be terminated by the governor by executive order if the governor finds that (1) the federal government has adopted a minimum price law for agricultural commodities, or (2) irreparable harm is being caused to Minnesota family farms by agricultural production or processing facilities leaving the state because of sections 2 to 8."

Renumber the sections in sequence

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 25 and nays 30, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Knaak	Mehrkens	Renneke
Belanger	Frederickson	Kroening	Olson	Sieloff
Benson	Gustafson	Kronebusch	Peterson, D.L.	Storm
Bernhagen	Isackson	Laidig	Peterson, R.W.	Taylor
Dieterich	Kamrath	McQuaid	Ramstad	Waldorf

Those who voted in the negative were:

Adkins	Davis	Hughes	Luther	Reichgott
Berg	DeCramer	Johnson, D.J.	Merriam	Samuelson
Berglin	Dicklich	Jude	Moe, R.D.	Schmitz
Bertram	Diessner	Langseth	Nelson	Spear
Chmielewski	Frank	Lantry	Novak	Stumpf
Dahl	Freeman	Lessard	Pehler	Willet

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

The question was taken on the recommendation to pass S.F. No. 221.

The roll was called, and there were yeas 25 and nays 24, as follows:

Those who voted in the affirmative were:

Berg	DeCramer	Jude	Moe, R.D.	Reichgott
Bertram	Dicklich	Kroening	Novak	Schmitz
Chmielewski	Frank	Langseth	Pehler	Spear
Dahl	Freeman	Lessard	Peterson, D.C.	Stumpf
Davis	Hughes	Luther	Purfeerst	Willet

Those who voted in the negative were:

Adkins	Diessner	Kamrath	Mehrkens	Renneke
Anderson	Dieterich	Knaak	Olson	Sieloff
Belanger	Frederickson	Laidig	Peterson, D.L.	Storm
Benson	Gustafson	Lantry	Peterson, R.W.	Taylor
Bernhagen	Isackson	McQuaid	Ramstad	

The motion prevailed. So S.F. No. 221 was recommended to pass.

S.F. No. 761, which the committee recommends to pass with the following amendment offered by Mr. Pehler:

Page 5, line 18, delete "7" and insert "*171.20, subdivision 1*"

Page 5, line 21, delete "*under this section*"

The motion prevailed. So the amendment was adopted.

S.F. No. 647, which the committee recommends to pass with the following amendment offered by Mr. Pehler:

Page 2, after line 13, insert:

"Sec. 3. Minnesota Statutes 1984, section 119.07, is amended to read:

119.07 [MINNESOTA EDUCATIONAL INSTITUTIONS; POWERS.]

Minnesota educational institutions are not required to use any MECC products or services. Any Minnesota educational institution may designate MECC as its purchasing agent for computer hardware, software, and development of software. Minnesota educational institutions ~~are authorized may,~~ notwithstanding the requirements of section ~~16.07~~ 16B.07, 123.37, or 471.345, ~~to~~ contract directly with the corporation for the development of computer programs and documentation, and for instructional ~~and management~~ computing services for educational institutions. *Minnesota educational institutions may, subject to the requirements of sections 16B.07, 123.37, and 471.345, contract with the corporation, another corporation or company, or individual for management computing services for educational institutions."*

Amend the title as follows:

Page 1, line 2, delete "Education" and insert "Educational"

Page 1, line 3, after the second semicolon, insert "providing for compliance with certain bidding laws for management computing services;"

Page 1, line 5, delete "and" and before the period, insert "; and 119.07"

The motion prevailed. So the amendment was adopted.

S.F. No. 1183, which the committee recommends to pass with the following amendment offered by Mr. Willet:

Page 2, line 23, delete "*subdivision*" and insert "*subdivisions 5a and*"

The motion prevailed. So the amendment was adopted.

S.F. No. 609, which the committee recommends to pass with the following amendment offered by Ms. Reichgott:

Page 1, line 23, after "*rights*" insert "*or remedies*"

Page 2, line 14, delete "*retroactively*" and insert "*retroactive*"

Amend the title as follows:

Page 1, line 3, after "rights" insert "or remedies"

The motion prevailed. So the amendment was adopted.

S.F. No. 783, which the committee recommends to pass with the following amendment offered by Mr. Moe, R.D.:

Amend the title as follows:

Page 1, line 3, before the period, insert "; amending Laws 1980, chapter 489, section 1, subdivision 4, and by adding a subdivision"

The motion prevailed. So the amendment was adopted.

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

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate proceed to the Order of Business of Introduction and First Reading of Senate Bills. The motion prevailed.

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Messrs. Jude, Luther, Ms. Reichgott, Messrs. Ramstad and Johnson, D.E. introduced—

S.F. No. 1448: A bill for an act relating to animals; prohibiting keeping of certain wild, exotic, or vicious animals; imposing a penalty; proposing coding for new law in Minnesota Statutes, chapter 346.

Referred to the Committee on Veterans and General Legislation.

Mr. Stumpf introduced—

S.F. No. 1449: A bill for an act relating to teachers; early retirement incentive program; changing the deadline for applying for retirement under the state-reimbursed incentive grant program; extending the state-reimbursed program; appropriating money; amending Minnesota Statutes 1984, section 125.611, subdivisions 3, 5, and 13.

Referred to the Committee on Education.

Messrs. Peterson, R.W.; Nelson; DeCramer; Bertram and Isackson introduced—

S.F. No. 1450: A bill for an act relating to natural resources; altering certain provisions regarding water permit fees; amending Minnesota Statutes 1984, section 105.44, subdivision 10.

Referred to the Committee on Agriculture and Natural Resources.

Mr. Frank introduced—

S.F. No. 1451: A bill for an act relating to education; providing incentive

aid for school consolidation; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 124.

Referred to the Committee on Education.

Mr. Merriam introduced—

S.F. No. 1452: A bill for an act relating to crimes; requiring confinement of certain convicted defendants pending imposition of sentence; proposing coding for new law in Minnesota Statutes, chapter 629.

Referred to the Committee on Judiciary.

Messrs. Pehler, Laidig and Jude introduced—

S.F. No. 1453: A bill for an act relating to taxation; income; changing the pension exclusion; amending Minnesota Statutes 1984, sections 290.01, subdivision 20b; and 290.08, subdivision 26.

Referred to the Committee on Taxes and Tax Laws.

Messrs. DeCramer, Frederickson and Isackson introduced—

S.F. No. 1454: A bill for an act relating to soil and water conservation; appropriating money for floodplain management.

Referred to the Committee on Finance.

Mr. Samuelson introduced—

S.F. No. 1455: A bill for an act relating to taxation; property; extending the exemption for certain property held by a municipality.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Johnson, D.E.; Mehrkens; Isackson; Anderson and Mrs. Kronebusch introduced—

S.F. No. 1456: A bill for an act relating to taxation; income; exempting capital gains from certain forced sales of farms; amending Minnesota Statutes 1984, section 290.01, subdivision 20b.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Hughes; Davis; Pehler; Peterson, D.L. and Moe, D.M. introduced—

S.F. No. 1457: A bill for an act relating to education; modifying the definitions of teachers and of supervisory and support personnel for the purpose of licensure; modifying the kinds of personnel licensed by the board of teaching and the state board of education; changing the membership of the board of teaching; amending Minnesota Statutes 1984, sections 125.03, subdivisions 1 and 4; 125.05, subdivisions 1 and 2; 125.08; and 125.183, subdivision 3.

Referred to the Committee on Education.

Messrs. Novak, Stumpf, Vega and Sieloff introduced—

S.F. No. 1458: A bill for an act relating to traffic regulations; removing

certain restrictions on special permits to move manufactured homes; amending Minnesota Statutes 1984, section 169.86, subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Hughes, Jude, Novak, Belanger and Merriam introduced—

S.F. No. 1459: A bill for an act relating to local government aid; modifying the distribution formula for cities; amending Minnesota Statutes 1984, sections 477A.011, subdivision 3, and by adding subdivisions; and 477A.013; repealing Minnesota Statutes 1984, sections 477A.011, subdivision 10; and 477A.0131.

Referred to the Committee on Taxes and Tax Laws.

Mr. Davis introduced—

S.F. No. 1460: A bill for an act relating to taxation; exempting certain shelterbelts from taxation; providing for replacement of lost revenue; appropriating money; amending Minnesota Statutes 1984, section 272.02, subdivision 1, and by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

Mr. Samuelson introduced—

S.F. No. 1461: A bill for an act relating to game and fish; authorizing resident licenses for trainees at Camp Ripley during open seasons; amending Minnesota Statutes 1984, section 98.47, subdivision 3.

Referred to the Committee on Agriculture and Natural Resources.

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.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the General Orders Calendar. The motion prevailed.

GENERAL ORDERS

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

After some time spent therein, the committee arose, and Mr. Hughes re-

ported that the committee had considered the following:

S.F. Nos. 569, 1117, 676, 302, 186, 750 and 384, which the committee recommends to pass.

S.F. No. 682, which the committee recommends to pass with the following amendments offered by Mr. Petty:

Page 3, delete lines 12 to 17

The motion prevailed. So the amendment was adopted.

Mr. Petty then moved to amend S.F. No. 682 as follows:

Page 3, after line 11, insert:

“Sec. 3. [EFFECTIVE DATE.]

The changes made in section 1 to Minnesota Statutes 1984, section 245.791, clauses (11) and (12), are effective August 1, 1987.”

The motion prevailed. So the amendment was adopted.

H.F. No. 470, which the committee recommends to pass with the following amendment offered by Mr. DeCramer:

Amend H.F. No. 470, as amended pursuant to Rule 49, adopted by the Senate April 3, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 518.)

Page 7, delete line 14

Page 9, line 2, after “services” insert “certification”

Page 9, line 18, after “if” insert “an”

Page 9, line 19, delete “representatives have” and insert “representative has”

Page 9, line 21, delete “representatives” and insert “representative”

The motion prevailed. So the amendment was adopted.

S.F. No. 31, which the committee recommends be re-referred to the Committee on Agriculture and Natural Resources, subject to the following motion:

Mr. Luther moved to amend S.F. No. 31 as follows:

Page 1, line 15, after “state” insert “not docked, anchored, or tied to the shore”

The motion prevailed. So the amendment was adopted.

S.F. No. 916, which the committee recommends to pass with the following amendment offered by Ms. Berglin:

Page 1, line 23, delete “(P.L. 98-509)” and insert “, United States Code, title 42, sections 300X to 300X-9”

Page 2, line 4, strike “is”

Page 2, line 5, strike “authorized” and strike “to” and insert “may”

Page 3, line 13, delete "*funds*" and insert "*money*"

Page 3, line 18, delete "*funds are*" and insert "*money is*"

Page 3, line 34, before the colon, insert "*the sum of the following*"

Page 4, line 4, delete "*. Funds*" and insert "'; *and, money*"

Page 4, line 13, strike "'; *and,*" and insert a period

Page 4, line 16, strike "'; *and*" and insert a period

Page 4, line 22, delete "*would*" and insert "*are to*"

Page 4, line 24, delete the parenthesis and insert a comma

Page 4, line 25, delete the parenthesis and insert a comma

Page 4, line 28, delete "*which*" and insert "*that*"

Page 4, line 29, delete the semicolon and insert a period

Page 4, delete line 30

Page 4, line 31, delete "*Any*" and insert "*The*"

The motion prevailed. So the amendment was adopted.

Mr. Moe, R.D. moved that the report of the Committee of the Whole, as kept by the Secretary, be now adopted.

Mr. Merriam requested that the report on S.F. No. 31 be divided out.

Mr. Moe, R.D. moved that the report of the Committee of the Whole, with the exception of the report on S.F. No. 31, be adopted. The motion prevailed.

The question was taken on the adoption of the report on S.F. No. 31.

The roll was called, and there were yeas 19 and nays 37, as follows:

Those who voted in the affirmative were:

Anderson	Bernhagen	Isackson	Mehrkens	Sieloff
Belanger	Frederick	Kamrath	Peterson, D.L.	Storm
Benson	Frederickson	Kronebusch	Renneke	Taylor
Berg	Gustafson	McQuaid	Samuelson	

Those who voted in the negative were:

Adkins	Dieterich	Laidig	Olson	Solon
Berglin	Frank	Langseth	Pehler	Stumpf
Bertram	Freeman	Lantry	Peterson, C.C.	Waldorf
Chmielewski	Hughes	Lessard	Peterson, D.C.	Wegscheid
Dahl	Johnson, D.J.	Luther	Peterson, R.W.	Willet
Davis	Jude	Merriam	Petty	
DeCramer	Knaak	Moe, R.D.	Reichgott	
Diessner	Kroening	Nelson	Schmitz	

The motion did not prevail.

MEMBERS EXCUSED

Mrs. Brataas, Messrs. Johnson, D.E.; Pogemiller and Vega were excused from the Session of today. Mr. Novak was excused from this evening's Session.

The following members were excused from today's Session for brief periods of time: Messrs. Dahl; Frederickson; Knaak; Peterson, D.L; Storm; Willet and Ms. Berglin.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Thursday, April 11, 1985. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate