

THIRTY-SIXTH DAY

St. Paul, Minnesota, Wednesday, April 22, 1987

The Senate met at 12:00 noon and was called to order by the President.

CALL OF THE SENATE

Mrs. McQuaid 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. Hal Hoekstra.

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

Adkins	Dahl	Jude	Merriam	Reichgott
Anderson	Davis	Knaak	Metzen	Renneke
Beckman	DeCramer	Knutson	Moe, D.M.	Samuelson
Belanger	Dicklich	Kroening	Moe, R.D.	Schmitz
Benson	Diessner	Laidig	Morse	Solon
Berg	Frank	Langseth	Novak	Spear
Berglin	Frederickson, D.J.	Lantry	Olson	Storm
Bernhagen	Frederickson, D.R.	Larson	Pehler	Stumpf
Bertram	Freeman	Lessard	Peterson, D.C.	Vickerman
Brandl	Gustafson	Luther	Peterson, R.W.	Waldorf
Brataas	Hughes	Marty	Piper	Willet
Chmielewski	Johnson, D.E.	McQuaid	Pogemiller	
Cohen	Johnson, D.J.	Mehrkins	Ramstad	

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 committee indicated.

April 16, 1987

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. Nos. 128, 291, 279 and 403.

Sincerely,

Rudy Perpich, Governor

April 20, 1987

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. No. 457.

Sincerely,

Rudy Perpich, Governor

April 17, 1987

The Honorable Fred C. Norton
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1987 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Date Approved 1987	Date Filed 1987
128		27	April 16	April 17
279		28	April 16	April 17
291		29	April 16	April 17
403		30	April 16	April 17
	11	31	April 16	April 17
	23	32	April 16	April 17
	202	33	April 16	April 17
	348	34	April 16	April 17
	400	35	April 16	April 17
	424	36	April 16	April 17

Sincerely,

Joan Anderson Growe
Secretary of State

April 9, 1987

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment to the Hazardous Substance Injury Compensation Board is hereby respectfully submitted to the Senate for confirmation as required by law:

Ralph E. Deger, 717 W. 41st St., Hibbing, St. Louis County, has been appointed by me, effective April 14, 1987, for a term expiring the first Monday in January, 1989.

(Referred to the Committee on Judiciary.)

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. 73.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 20, 1987

Mr. President:

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

House Concurrent Resolution No. 8: A House concurrent resolution commemorating the life and work of John Mariucci.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 20, 1987

Mr. Moe, R.D. moved that House Concurrent Resolution No. 8 be laid on the table. The motion prevailed.

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of three members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 38: A bill for an act relating to alcoholic beverages; permitting certain transactions by brewers and wholesalers; authorizing cities to issue temporary off-sale licenses for the sale of vintage wine at auctions; amending Minnesota Statutes 1986, sections 340A.308; and 340A.405, by adding a subdivision.

There has been appointed as such committee on the part of the House: Jacobs, Ogren and Bennett.

Senate File No. 38 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 20, 1987

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of three members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 397: A bill for an act relating to elections; setting times for changing election precincts and redistricting certain election districts; amending Minnesota Statutes 1986, sections 204B.14, subdivision 3; and 375.025, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 204B.

There has been appointed as such committee on the part of the House: Scheid, Osthoff and Knickerbocker.

Senate File No. 397 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 20, 1987

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 31, 119, 217, 532, 170, 457, 596, 1009, 561, 1225, 1267, 642, 1054, 1112, 904, 947, 1371, 1120, 1170 and 1213.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 20, 1987

FIRST READING OF HOUSE BILLS

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

H.F. No. 31: A bill for an act relating to labor; prohibiting the charging of a fee in connection with a job application; providing penalties; proposing coding for new law in Minnesota Statutes, chapter 181.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 176, now on General Orders.

H.F. No. 119: A bill for an act relating to employment; providing the option for certain employees at a state university to obtain state employee fringe benefits; amending Minnesota Statutes 1986, section 43A.27, by adding a subdivision.

Referred to the Committee on Governmental Operations.

H.F. No. 217: A bill for an act relating to traffic regulations; providing for the operation by police departments and sheriff's offices of specially marked vehicles for highway traffic law enforcement; amending Minnesota Statutes 1986, section 169.98, subdivision 1, and by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1188.

H.F. No. 532: A bill for an act relating to public safety; motorized bicycles; establishing standards for the safe operation of motorized bicycles; amending Minnesota Statutes 1986, sections 65B.001, by adding a subdivision; 65B.43, subdivision 13; 168.011, subdivision 27; 169.01, subdivision 4a; 169.223; 171.01, subdivision 20; and 171.02, subdivision 3.

Referred to the Committee on Finance.

H.F. No. 170: A bill for an act relating to firearms; allowing ammunition manufacturers to possess machine guns for ammunition testing purposes; permitting certain licensed dealers and manufacturers to own or possess machine guns and short-barreled shotguns for certain purposes; amending Minnesota Statutes 1986, section 609.67, subdivisions 3 and 4.

Referred to the Committee on Judiciary.

H.F. No. 457: A bill for an act relating to retirement; public employees retirement association administrative changes; privacy of certain membership data; amending Minnesota Statutes 1986, sections 353.01, subdivisions 2b and 20; 353.03, subdivision 3; 353.27, subdivisions 4, 10, and 12; 353.28, subdivision 5; 353.29, subdivision 8; 353.33, by adding a subdivision; 353.34, by adding a subdivision; 353.36, subdivision 2; 353.64, subdivisions 1 and 2; 353.656, subdivision 6, and by adding a subdivision; and 353.657; proposing coding for new law in Minnesota Statutes, chapter 13; repealing Minnesota Statutes 1986, section 353.64, subdivision 6.

Referred to the Committee on Governmental Operations.

H.F. No. 596: A bill for an act relating to jails; providing for the detention and confinement of minors subject to prosecution as adults; amending Minnesota Statutes 1986, sections 641.14; and 636.07.

Referred to the Committee on Judiciary.

H.F. No. 1009: A bill for an act relating to transportation; providing for standards for special transportation service; requiring changes in the administration of special transportation service in the metropolitan area; amending Minnesota Statutes 1986, sections 174.30, subdivisions 1, 2, 4, 6, 7, and by adding subdivisions; 473.386, subdivisions 1, 2, 3, 4, and 6; repealing Minnesota Statutes 1986, section 473.386, subdivision 7.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1108, now on General Orders.

H.F. No. 561: A bill for an act relating to government data; providing for access to data by protection and advocacy systems; amending Minnesota Statutes 1986, section 13.89.

Referred to the Committee on Judiciary.

H.F. No. 1225: A bill for an act relating to employment; requiring certain employers to make available a plan of health care coverage to all employees; proposing coding for new law in Minnesota Statutes, chapter 177.

Referred to the Committee on Employment.

H.F. No. 1267: A bill for an act relating to insurance; regulating investments of domestic companies; defining terms; providing additional investment authority; amending Minnesota Statutes 1986, section 60A.11, subdivisions 10 and 26.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1206, now on General Orders.

H.F. No. 642: A bill for an act relating to human services; prohibiting licensing of supportive living residences; requiring monitoring of facilities; providing for various levels of care for persons with mental illness; directing the commissioner of human services to review and alter rules relating to

residential care facilities for persons with mental illness; requiring study of housing needs for persons with mental illness; prohibiting payment to newly-licensed facilities having more than four residents with mental illness; amending Minnesota Statutes 1986, sections 245.802, subdivision 1a, and by adding subdivisions; 256D.01, by adding a subdivision; and 256D.37, by adding a subdivision.

Referred to the Committee on Health and Human Services.

H.F. No. 1054: A bill for an act relating to vocational rehabilitation; limiting grants to sheltered workshops; providing for use of community-based employment; regulating and defining vocational rehabilitation programs; amending Minnesota Statutes 1986, sections 129A.01; 129A.03; 129A.06; 129A.07; and 129A.08.

Referred to the Committee on Health and Human Services.

H.F. No. 1112: A bill for an act relating to human services; defining directors, officers, and partners as vendors of medical care for the purpose of medical assistance; allowing the commissioner to charge interest on money recovered from certain medical assistance providers; allowing sanction authority; amending Minnesota Statutes 1986, sections 256B.02, subdivision 7; 256B.064, subdivision 1c; and 256B.27, subdivisions 3 and 4.

Referred to the Committee on Finance.

H.F. No. 904: A bill for an act relating to human services; requiring notification to spouse of nursing home resident; amending Minnesota Statutes 1986, section 256B.48, by adding a subdivision.

Referred to the Committee on Health and Human Services.

H.F. No. 947: A bill for an act relating to state lands; authorizing private sales of certain tax-forfeited land in St. Louis county.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 940, now on General Orders.

H.F. No. 1371: A bill for an act relating to courts; specifying certain locations for holding court in Ramsey county; proposing coding for new law in Minnesota Statutes, chapter 488A.

Referred to the Committee on Judiciary.

H.F. No. 1120: A bill for an act relating to grain grading and testing; providing that state grades and test results may be the basis for market price; amending Minnesota Statutes 1986, section 17B.05.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1484.

H.F. No. 1170: A bill for an act relating to state government; prohibiting certain mandated leaves of absence for state employees; amending Minnesota Statutes 1986, section 43A.32, subdivision 2, and by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1165, now on General Orders.

H.F. No. 1213: A bill for an act relating to retirement; teachers retirement association; making various changes in the law governing the association for the purpose of facilitating administration of retirement benefits and contributions; amending Minnesota Statutes 1986, sections 354.05, sub-

division 35, and by adding a subdivision; 354.06, subdivision 1; 354.07, subdivision 3; 354.094, subdivision 1; 354.44, subdivision 5; 354.46, subdivision 5; 354.48, subdivision 7; 354.51, subdivision 5; 354.55, subdivision 11; 354.62, subdivision 5, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 13; repealing Minnesota Statutes 1986, section 354.44, subdivision 1a.

Referred to the Committee on Governmental Operations.

REPORTS OF COMMITTEES

SUSPENSION OF RULES

Mr. Moe, R.D. moved that Joint Rule 2.03 be suspended as to S.F. No. 583. The motion prevailed.

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

Mr. Willet from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 1056: A bill for an act relating to natural resources; increasing certain game, fish, and related license and other fees; amending Minnesota Statutes 1986, sections 84.091, subdivision 3; 97A.415, subdivision 1; 97A.475, subdivisions 2, 3, 6, 7, 8, 9, 11, 12, 13, and 20.

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 1986, section 84.091, subdivision 3, is amended to read:

Subd. 3. [LICENSE FEES.] (a) The fees for the following licenses, to be issued to residents only, are:

- (1) for harvesting wild rice, ~~\$10~~ \$12.50;
- (2) for buying and selling wild ginseng, \$5;
- (3) for a wild rice dealer's license to buy and sell 50,000 pounds or less, \$70; and
- (4) for a wild rice dealer's license to buy and sell more than 50,000 pounds, \$250.

(b) The weight of the wild rice shall be determined in its raw state.

Sec. 2. Minnesota Statutes 1986, section 97A.065, is amended by adding a subdivision to read:

Subd. 5. [SALE OF FISH EGGS AND FRY.] Money received from the sale of fish eggs and fry is continuously appropriated to the commissioner for fish management operations.

Sec. 3. Minnesota Statutes 1986, section 97A.065, is amended by adding a subdivision to read:

Subd. 6. [HUNTER EDUCATION SURCHARGE.] The commissioner may only use the revenue from the small game and deer hunter education

surcharge for firearms safety and hunter education programs.

Sec. 4. Minnesota Statutes 1986, section 97A.415, subdivision 1, is amended to read:

Subdivision 1. [ONE LICENSE PER PERSON.] Only one license of each kind may be issued to a person in a license year, except the *resident and nonresident short-term angling license licenses*, unless authorized by commissioner's order.

Sec. 5. Minnesota Statutes 1986, section 97A.475, subdivision 2, is amended to read:

Subd. 2. [RESIDENT HUNTING.] Fees for the following licenses, to be issued to residents only, are:

- (1) for persons under age 65 to take small game, ~~\$7~~ \$10;
 - (2) for persons age 65 or over, ~~\$3.50~~ \$5;
 - (3) to take turkey, ~~\$10~~ \$12.50;
 - (4) to take deer with firearms, ~~\$15~~ \$20;
 - (5) to take deer by archery, ~~\$15~~ \$20;
 - (6) to take moose, for a party of not more than four persons, ~~\$200~~ \$250;
- and
- (7) to take bear, ~~\$25~~ \$30.

Sec. 6. Minnesota Statutes 1986, section 97A.475, subdivision 3, is amended to read:

Subd. 3. [NONRESIDENT HUNTING.] Fees for the following licenses, to be issued to nonresidents, are:

- (1) to take small game, ~~\$46~~ \$51;
- (2) to take deer with firearms, \$100;
- (3) to take deer by archery, \$100;
- (4) to take bear, \$150;
- (5) to take turkey, \$30; and
- (6) to take raccoon, bobcat, fox, coyote, or lynx, ~~\$100~~ \$125.

Sec. 7. Minnesota Statutes 1986, section 97A.475, is amended by adding a subdivision to read:

Subd. 4a. [SMALL GAME HUNTER EDUCATION SURCHARGE.] *Fees for licenses for residents under age 65 to take small game under subdivision 2, clause (2), are increased by a surcharge of 25 cents for hunter education and firearms safety.*

Sec. 8. Minnesota Statutes 1986, section 97A.475, is amended by adding a subdivision to read:

Subd. 4b. [DEER LICENSE HUNTER EDUCATION SURCHARGE.] *Fees for licenses for residents to take deer by firearms or archery under subdivision 2, clauses (4) and (5), are increased by a surcharge of 50 cents for hunter education and firearms safety.*

Sec. 9. Minnesota Statutes 1986, section 97A.475, subdivision 6, is amended to read:

Subd. 6. [RESIDENT FISHING.] Fees for the following licenses, to be issued to residents only, are:

- (1) to take fish by angling, *for persons under age 65*, ~~\$6.50~~ \$10;
- (2) to take fish by angling, *for persons age 65 and over*, \$3.50;
- (2) (3) to take fish by angling, for a combined license for a married couple, ~~\$10.50~~ \$13.50; and
- (4) to take fish by angling, *for a period of 24 hours from the time of issuance*, \$4.50; and
- (3) (5) to take fish by spearing from a dark house, ~~\$7.50~~ \$12.

Sec. 10. Minnesota Statutes 1986, section 97A.475, subdivision 7, is amended to read:

Subd. 7. [NONRESIDENT FISHING.] Fees for the following licenses, to be issued to nonresidents, ~~shall be~~ are:

- (1) to take fish by angling, ~~\$16~~ \$18;
- (2) to take fish by angling, limited to seven consecutive days, ~~\$13~~ \$15;
- (3) to take fish by angling, for three days, ~~\$10~~ \$12; and
- (4) to take fish by angling, for a *family* combined license ~~for a family~~, ~~\$27.50~~ \$30.50;
- (5) to take fish by angling, *for a period of 24 hours from the time of issuance*, \$4.50; and
- (6) to take fish by angling, *for a married couple combined license, limited to 14 consecutive days*, \$22.50.

Sec. 11. Minnesota Statutes 1986, section 97A.475, subdivision 8, is amended to read:

Subd. 8. [MINNESOTA SPORTING.] The commissioner shall issue Minnesota sporting licenses to residents only. The licensee may take fish by angling and small game. The fee for the license is:

- (1) for an individual, ~~\$12~~ \$15.50; and
- (2) for a combined license for a married couple to take fish, and for one spouse to take small game, ~~\$16~~ \$19.50.

Sec. 12. Minnesota Statutes 1986, section 97A.475, subdivision 9, is amended to read:

Subd. 9. [FISHING SURCHARGE.] The fees for the following licenses must be increased by a surcharge of \$2.50:

- (1) resident angling, under subdivision 6, clauses (1), (3), and (2) (4);
- (2) nonresident angling, under subdivision 7;
- (3) Minnesota sporting, under subdivision 8;
- (4) nonresident fish houses, under subdivision 12; and
- (5) to net fish for domestic use, under subdivision 13.

Sec. 13. Minnesota Statutes 1986, section 97A.475, subdivision 11, is amended to read:

Subd. 11. [FISH HOUSES AND DARK HOUSES; RESIDENTS.] Fees

for the following licenses are:

- (1) for a fish house or dark house that is not rented, ~~\$5~~ \$8; and
- (2) for a fish house or dark house that is rented, ~~\$15~~ \$18.

Sec. 14. Minnesota Statutes 1986, section 97A.475, subdivision 12, is amended to read:

Subd. 12. [FISH HOUSES; NONRESIDENT.] The fee for a fish house license for a nonresident is ~~\$15~~ \$19.50.

Sec. 15. Minnesota Statutes 1986, section 97A.475, subdivision 13, is amended to read:

Subd. 13. [NETTING WHITEFISH AND CISCOES FOR PERSONAL CONSUMPTION.] The fee for a license to net whitefish and ciscoes in inland lakes and international waters for personal consumption is, for each net, ~~\$3~~ \$5.

Sec. 16. Minnesota Statutes 1986, section 97A.475, subdivision 20, is amended to read:

Subd. 20. [TRAPPING LICENSE.] The fee for a license to trap fur-bearing animals is:

- (1) for persons over age 13 and under age 18, ~~\$3.50~~ \$5; and
- (2) for persons age 18 and older, ~~\$13~~ \$16.

Sec. 17. Minnesota Statutes 1986, section 97C.305, is amended to read:

97C.305 [TROUT AND SALMON STAMP]

Subdivision 1. [REQUIREMENT.] Except as provided in subdivision 2, a person over age 16 and under age 65 required to possess an angling license must have a trout and salmon stamp in possession to take fish by angling in:

- (1) a stream designated by the commissioner as a trout stream;
- (2) a lake designated by the commissioner as a trout lake; or
- (3) Lake Superior.

Subd. 2. [EXEMPTION.] A trout and salmon stamp is not required for a person taking fish by angling under a 24-hour license under section 97A.475, subdivision 6, clause (4), or subdivision 7, clause (5).

Sec. 18. [REPEALER.]

Minnesota Statutes 1986, section 97A.451, subdivision 1, is repealed.

Sec. 19. [EFFECTIVE DATE.]

Except as provided in this section, sections 1 to 16 are effective for the licensing year beginning March 1, 1988, and for each licensing year after that date. The 24-hour resident and nonresident angling licenses, and the nonresident married couple 14-day angling licenses are effective beginning June 1, 1987, and for each licensing year after that date."

Delete the title and insert:

"A bill for an act relating to natural resources; increasing certain game, fish, and related license and other fees; amending Minnesota Statutes 1986, sections 84.091, subdivision 3; 97A.065, by adding subdivisions; 97A.415,

subdivision 1; 97A.475, subdivisions 2, 3, 6, 7, 8, 9, 11, 12, 13, and 20, and by adding subdivisions; and 97C.305; repealing Minnesota Statutes 1986, section 97A.451, subdivision 1."

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

Mr. Willet from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 388: A bill for an act relating to environment; authorizing the pollution control agency to issue administrative orders assessing penalties; establishing a hearing procedure; providing for the distribution and expenditure of monetary penalties; amending Minnesota Statutes 1986, section 115B.20, subdivisions 2, 3, and 4; proposing coding for new law in Minnesota Statutes, chapter 116.

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

Delete everything after the enacting clause and insert:

"Section 1. [116.072] [ADMINISTRATIVE PENALTIES FOR HAZARDOUS WASTE VIOLATIONS.]

Subdivision 1. [AUTHORITY TO ISSUE PENALTY ORDERS.] The director may issue an order requiring violations to be corrected and administratively assessing monetary penalties for hazardous waste violations under sections 115.061 and 116.07, and Minnesota Rules, chapter 7045. The order must be issued as provided in this section.

Subd. 2. [AMOUNT OF PENALTY; CONSIDERATIONS.] (a) The director may issue an order assessing a penalty up to \$10,000 for all violations identified during an inspection.

(b) In determining the amount of a penalty the director may consider:

- (1) the willfulness of the violation;*
- (2) the gravity of the violation, including damage to humans, animals, air, water, land, or other natural resources of the state;*
- (3) the history of past violations;*
- (4) the number of violations;*
- (5) the economic benefit gained by the person by allowing or committing the violation; and*

(6) other factors as justice may require, if the director specifically identifies the additional factors in the director's order.

(c) For a violation after an initial violation, the director shall, in determining the amount of a penalty, consider the factors in paragraph (b) and the:

- (1) similarity of the most previous violation and the violation to be penalized;*
- (2) time elapsed since the last violation;*
- (3) number of previous violations; and*
- (4) response of the person to the most previous violation identified.*

Subd. 3. [CONTENTS OF ORDER.] An order assessing an administrative penalty under this section shall include:

- (1) a concise statement of the facts alleged to constitute a violation;*
- (2) a reference to the section of the statute, rule, variance, order, stipulation agreement, or term or condition of a permit that has been violated;*
- (3) a statement of the amount of the administrative penalty to be imposed and the factors upon which the penalty is based; and*
- (4) a statement of the person's right to review of the order.*

Subd. 4. [CORRECTIVE ORDER.] (a) The director may issue an order assessing a penalty and requiring the violations cited in the order to be corrected within 30 calendar days from the date the order is received.

(b) The person to whom the order was issued shall provide information to the director before the 31st day after the order was received demonstrating that the violation has been corrected or that appropriate steps toward correcting the violation have been taken. The director shall determine whether the violation has been corrected and notify the person subject to the order of the director's determination.

Subd. 5. [PENALTY.] (a) Except as provided in paragraph (b), if the director determines that the violation has been corrected or appropriate steps have been taken to correct the action, the penalty must be forgiven. Unless the person requests review of the order under subdivision 6 or 7 before the penalty is due, the penalty in the order is due and payable:

(1) on the 31st day after the order was received, if the person subject to the order fails to provide information to the director showing that the violation has been corrected or that appropriate steps have been taken toward correcting the violation; or

(2) on the 20th day after the person receives the director's determination under subdivision 4, paragraph (b), if the person subject to the order has provided information to the director that the director determines is not sufficient to show the violation has been corrected or that appropriate steps have been taken toward correcting the violation.

(b) For a repeated or serious violation, the director may issue an order with a penalty that will not be forgiven after the corrective action is taken. The penalty is due by 31 days after the order was received unless review of the order under subdivision 6, 7, or 8 has been sought.

(c) Interest at the rate established in section 549.09 begins to accrue on penalties under this subdivision on the 31st day after the order with the penalty was received.

Subd. 6. [EXPEDITED ADMINISTRATIVE HEARING.] (a) Within 30 days after receiving an order or within 20 days after receiving notice that the director has determined that a violation has not been corrected or appropriate steps have not been taken, the person subject to an order under this section may request an expedited hearing to review the director's action. The person to whom the order is directed and the director are the parties to the expedited hearing. The director must notify the person to whom the order is directed of the time and place of the hearing at least 20 days before the hearing. The expedited hearing must be held within 30 days after a request for hearing has been filed with the director unless the parties agree to a later date.

(b) All written arguments must be submitted within ten days following the close of the hearing. The hearing shall be conducted under the conference contested case rules of the office of administrative hearings, as modified by this subdivision. The office of administrative hearings may, in consultation with the agency, adopt rules specifically applicable to cases under this section.

(c) The administrative law judge shall issue a report making recommendations about the director's action to the director within 30 days following the close of the record. The administrative law judge may not recommend a change in the amount of the proposed penalty unless the administrative law judge determines that, based on the factors in subdivision 2, the amount of the penalty is unreasonable.

(d) If the administrative law judge makes a finding that the hearing was requested solely for purposes of delay or that the hearing request was frivolous, the director may add to the amount of the penalty the costs charged to the agency by the office of administrative hearings for the hearing.

(e) If a hearing has been held, the director may not issue a final order until at least five days after receipt of the report of the administrative law judge. The person to whom an order is issued may, within those five days, comment to the director on the recommendations and the director will consider the comments. The final order may be appealed in the manner provided in sections 14.63 to 14.69.

(f) If a hearing has been held and a final order issued by the director, the penalty shall be paid by 30 days after the date the final order is received unless review of the final order is requested under sections 14.63 to 14.69. If review is not requested or the order is reviewed and upheld, the amount due is the penalty, together with interest accruing from 31 days after the original order was received at the rate established in section 549.09.

Subd. 7. [DISTRICT COURT HEARING.] (a) Within 30 days after the receipt of an order or within 20 days of receipt of notice that the director has determined that a violation has not been corrected or appropriate steps have not been taken, the person subject to an order under this section may file a petition in district court for review of the order in lieu of requesting an administrative hearing under subdivision 6. The petition shall be filed with the court administrator with proof of service on the director. The petition shall be captioned in the name of the person making the petition as petitioner and the director as respondent. The petition shall state with specificity the grounds upon which the petitioner seeks rescission of the order, including the facts upon which each claim is based.

(b) At trial, the director must establish by a preponderance of the evidence that a violation subject to this section occurred, the petitioner is responsible for the violation, a penalty immediately assessed as provided for under subdivision 5, paragraph (b) or (c), is justified by the violation, and the factors listed in subdivision 2 were considered when the penalty amount was determined and the penalty amount is justified by those factors.

Subd. 8. [MEDIATION.] In addition to review under subdivision 6 or 7, the director is authorized to enter into mediation concerning an order issued under this section if the director and the person to whom the order is issued both agree to mediation.

Subd. 9. [ENFORCEMENT.] (a) The attorney general may proceed on

behalf of the state to enforce penalties that are due and payable under this section in any manner provided by law for the collection of debts.

(b) The attorney general may petition the district court to file the administrative order as an order of the court. At any court hearing, the only issues parties may contest are procedural and notice issues. Once entered, the administrative order may be enforced in the same manner as a final judgment of the district court.

(c) If a person fails to pay the penalty, the attorney general may bring a civil action in district court seeking payment of the penalties, injunctive, or other appropriate relief including monetary damages, attorney fees, costs, and interest.

Subd. 10. [REVOCATION AND SUSPENSION OF PERMIT.] If a person fails to pay a penalty owed under this section the agency has grounds to revoke or refuse to reissue or renew a hazardous waste permit issued by the agency.

Subd. 11. [CUMULATIVE REMEDY.] The authority of the agency to issue a corrective order assessing penalties is in addition to other remedies available under statutory or common law. The payment of a penalty does not preclude the use of other enforcement provisions in connection with the violation for which the penalty was assessed."

Delete the title and insert:

"A bill for an act relating to environment; authorizing the pollution control agency to issue administrative orders assessing penalties; establishing a hearing procedure; providing for the distribution and expenditure of monetary penalties; proposing coding for new law in Minnesota Statutes, chapter 116."

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

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

S.F. No. 346: A bill for an act relating to health; establishing a statewide cancer surveillance system; providing for rule authority to administer the system and collect and distribute data; appropriating money; amending Minnesota Statutes 1986, sections 144.68; and 144.69; proposing coding for new law in Minnesota Statutes, chapter 144; repealing Minnesota Statutes 1986, sections 144.66 and 144.67.

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

Delete everything after the enacting clause and insert:

"Section 1. [144.671] [CANCER SURVEILLANCE SYSTEM; PURPOSE.]

The commissioner of health shall establish a statewide population-based cancer surveillance system. The purpose of this system is to:

(1) monitor incidence trends of cancer to detect potential public health problems, predict risks, and assist in investigating cancer clusters;

(2) more accurately target intervention resources for communities and

patients and their families;

(3) inform health professionals and citizens about risks, early detection, and treatment of cancers known to be elevated in their communities; and

(4) promote high quality research to provide better information for cancer control and to address public concerns and questions about cancer.

Sec. 2. [144.672] [DUTIES OF COMMISSIONER; RULES.]

Subdivision 1. [RULE AUTHORITY.] *The commissioner of health shall collect cancer incidence information, analyze the information, and conduct special studies designed to determine the potential public health significance of an increase in cancer incidence.*

The commissioner shall adopt rules to administer the system, collect information, and distribute data. The rules must include, but not be limited to, the following:

(1) *the type of data to be reported;*

(2) *standards for reporting specific types of data;*

(3) *payments allowed to hospitals, pathologists, and registry systems to defray their costs in providing information to the system;*

(4) *criteria relating to contracts made with outside entities to conduct studies using data collected by the system. The criteria may include requirements for a written protocol outlining the purpose and public benefit of the study, the description, methods, and projected results of the study, peer review by other scientists, the methods and facilities to protect the privacy of the data, and the qualifications of the researcher proposing to undertake the study;*

(5) *specification of fees to be charged under section 13.03, subdivision 3, for all out-of-pocket expenses for data summaries or specific analyses of data requested by public and private agencies, organizations, and individuals, and which are not otherwise included in the commissioner's annual summary reports. Fees collected are appropriated to the commissioner to offset the cost of providing the data; and*

(6) *establishment of a committee to assist the commissioner in the review of system activities.*

Subd. 2. [BIANNUAL REPORT REQUIRED.] *The commissioner of health shall prepare and transmit to the governor and to members of the legislature a biannual report on the incidence of cancer in Minnesota and a compilation of summaries and reports from special studies and investigations performed to determine the potential public health significance of an increase in cancer incidence, together with any findings and recommendations. The first report shall be delivered by February 1989, with subsequent reports due in February of each of the following odd-numbered years.*

Sec. 3. Minnesota Statutes 1986, section 144.68, is amended to read:

144.68 [RECORDS AND REPORTS REQUIRED.]

Subdivision 1. [PERSON PRACTICING HEALING ARTS.] *Every person licensed to practice the healing arts in any form, upon request of the state commissioner of health, shall prepare and forward to the commissioner, in the manner and at such times as the commissioner designates, a detailed record of each case of malignant disease cancer treated or seen*

by the person professionally.

Subd. 2. [HOSPITALS AND SIMILAR INSTITUTIONS.] Every hospital, ~~sanatorium, nursing home~~ *medical clinic, medical laboratory*, or other institution for the hospitalization, *clinical or laboratory diagnosis*, or care of human beings, upon request of the ~~state~~ commissioner of health, shall prepare and forward to the commissioner, in the manner and at the times designated by the commissioner, a detailed record of each case of ~~malignant disease having been therein cancer~~.

Subd. 3. [~~INFORMATION REPORTING WITHOUT LIABILITY.~~] The furnishing of the information required under subdivisions 1 and 2 shall not subject the person, hospital, ~~sanatorium, nursing home~~ *medical clinic, medical laboratory*, or other ~~place~~ *institution* furnishing the information, to any action for damages or other relief.

Sec. 4. Minnesota Statutes 1986, section 144.69, is amended to read:

144.69 [~~INFORMATION NOT AVAILABLE TO THE PUBLIC CLASSIFICATION OF DATA ON INDIVIDUALS.~~]

~~No such report, or part thereof, nor any copy of the same or part thereof, shall be open to the public, nor shall any of the contents thereof be disclosed, in any manner, by any official or clerk or other employee or person having access thereto, but all such information~~ *Notwithstanding section 13.05, subdivision 9, data collected on individuals by the cancer surveillance system, including the names and personal identifiers of persons required in section 144.68 to report, shall be confidential private and may only be used for the purposes set forth in sections 144.66 to 1 and 2 and 144.68 and 144.69. And any such disclosure other than is provided for in sections 144.66 to 1 and 2 and 144.68 and 144.69, is hereby declared to be a misdemeanor and punishable as such. No Except as provided by rule, and as part of an epidemiologic investigation, an officer or employee of the board shall commissioner of health may interview any patient patients named in any such report, nor a relative or relatives of any such patient, unless only after the consent of the attending physician and or surgeon is first obtained.*

Sec. 5. [REPEALER.]

Minnesota Statutes 1986, sections 144.66 and 144.67, are repealed.

Sec. 6. [APPROPRIATION.]

\$1,520,000 is appropriated from the general fund to the commissioner of health to implement the provisions of sections 1 to 4, to establish a statewide cancer surveillance system, to develop and maintain a computerized record linkage system, to manage and analyze the data, and to conduct follow-up investigations on clusters of disease and unusual case distributions identified by the system, to be available until June 30, 1989.

Sec. 7. [EFFECTIVE DATE.]

Sections 1 to 5 are effective the day following final enactment. Section 6 is effective July 1, 1987."

Delete the title and insert:

"A bill for an act relating to health; establishing a statewide cancer surveillance system; providing for rule authority to administer the system and collect and distribute data; appropriating money; amending Minnesota

Statutes 1986, sections 144.68; and 144.69; proposing coding for new law in Minnesota Statutes, chapter 144; repealing Minnesota Statutes 1986, sections 144.66 and 144.67."

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. 1396: A bill for an act relating to human services; setting forth appeal procedure for recipients of case management services; amending Minnesota Statutes 1986, sections 256.045, subdivisions 1, 3, 4, 5, 6, 7, and 10, and by adding a subdivision; repealing Minnesota Statutes 1986, section 256.045, subdivision 2.

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

Page 1, line 15, delete "2" and insert "3"

Page 1, line 16, after "5" insert ", and section 4"

Page 2, line 30, strike "2 or" and after "3" insert "or section 4"

Page 3, after line 17, insert:

"Sec. 4. Minnesota Statutes 1986, section 256.045, is amended by adding a subdivision to read:

Subd. 4a. [CASE MANAGEMENT APPEALS.] Any recipient of case management services pursuant to section 256B.092, subdivisions 1 to 1b, who contests the local agency's action or failure to act in the provision of those services, other than a failure to act with reasonable promptness or a suspension, reduction, denial or termination of services, must submit a written request for review to the local agency. The local agency shall inform the commissioner of the receipt of a request for review when it is submitted and shall schedule a conciliation conference. The local agency shall notify the recipient, the commissioner, and all interested persons of the time, date, and location of the conciliation conference. The commissioner shall designate a representative to be present at the conciliation conference to assist in the resolution of the dispute without the need for a hearing. Within 30 days, the local agency shall conduct the conciliation conference and inform the recipient in writing of the action the local agency is going to take and when that action will be taken and notify the recipient of the right to a hearing under this subdivision. The conciliation conference shall be conducted in a manner consistent with the procedures for reconsideration of an individual service plan or an individual habilitation plan pursuant to Minnesota Rules, parts 9525.0075, subpart 5, and 9525.0105, subpart 6. If the county fails to conduct the conciliation conference and issue its report within 30 days, or, at any time up to 90 days after the conciliation conference is held, a recipient may submit to the commissioner a written request for a hearing before a state human services referee to determine whether case management services have been provided in accordance with applicable laws and rules or whether the local agency has assured that the services identified in the recipient's individual service plan have been delivered in accordance with the laws and rules governing the provision of those services. The state human services referee shall recommend an order to the commissioner, who shall, in accordance with the procedure in

subdivision 5, issue a final order within 60 days of the receipt of the request for a hearing, unless the commissioner refuses to accept the recommended order, in which event a final order shall issue within 90 days of the receipt of that request. The order may direct the local agency to take those actions necessary to comply with applicable laws or rules."

Page 3, line 18, delete "4" and insert "5"

Pages 3 to 5, delete section 5

Page 5, line 11, after "subdivision 3" insert "or section 4"

Page 5, line 17, strike "2 or" and after "3" insert "or section 4"

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. 582: A bill for an act relating to health; allowing health maintenance organizations to adjust premiums paid based on actual health services utilization; amending Minnesota Statutes 1986, section 62D.04, subdivision 1.

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 1986, section 62D.04, subdivision 1, is amended to read:

Subdivision 1. Upon receipt of an application for a certificate of authority, the commissioner of health shall determine whether the applicant for a certificate of authority has:

(a) demonstrated the willingness and potential ability to assure that health care services will be provided in such a manner as to enhance and assure both the availability and accessibility of adequate personnel and facilities;

(b) arrangements for an ongoing evaluation of the quality of health care;

(c) a procedure to develop, compile, evaluate, and report statistics relating to the cost of its operations, the pattern of utilization of its services, the quality, availability and accessibility of its services, and such other matters as may be reasonably required by regulation of the commissioner of health;

(d) reasonable provisions for emergency and out of area health care services;

(e) demonstrated that it is financially responsible and may reasonably be expected to meet its obligations to enrollees and prospective enrollees. In making this determination, the commissioner of health may consider:

(1) the financial soundness of its arrangements for health care services and the proposed schedule of charges used in connection therewith;

(2) the adequacy of its working capital;

(3) arrangements which will guarantee for a reasonable period of time the continued availability or payment of the cost of health care services in the event of discontinuance of the health maintenance organization;

(4) agreements with providers for the provision of health care services; and

(5) any deposit of cash or securities submitted in accordance with section 62D.041.

(f) demonstrated that it will assume full financial risk on a prospective basis for the provision of comprehensive health maintenance services, including hospital care; provided, however, that the requirement in this paragraph shall not prohibit *the following*:

(1) a health maintenance organization from obtaining insurance or making other arrangements (i) for the cost of providing to any enrollee comprehensive health maintenance services, the aggregate value of which exceeds \$5,000 in any year, (ii) for the cost of providing comprehensive health care services to its members on a nonelective emergency basis, or while they are outside the area served by the organization, or (iii) for not more than 95 percent of the amount by which the health maintenance organization's costs for any of its fiscal years exceed 105 percent of its income for such fiscal years; and

(2) *a health maintenance organization from having a provision in a group health maintenance contract allowing an adjustment of premiums paid based upon the actual health services utilization of the enrollees covered under the contract, except that at no time during the life of the contract shall the contract holder fully self-insure the financial risk of health care services delivered under the contract. Risk sharing arrangements shall be subject to the requirements of sections 62D.01 to 62D.30.*

(g) otherwise met the requirements of sections 62D.01 to 62D.29.

Sec. 2. Minnesota Statutes 1986, section 62D.08, subdivision 3, is amended to read:

Subd. 3. Such report shall be on forms prescribed by the commissioner of health, and shall include:

(a) A financial statement of the organization, including its balance sheet and receipts and disbursements for the preceding year certified by an independent certified public accountant, reflecting at least (1) all prepayment and other payments received for health care services rendered, (2) expenditures to all providers, by classes or groups of providers, and insurance companies or nonprofit health service plan corporations engaged to fulfill obligations arising out of the health maintenance contract, ~~and~~ (3) expenditures for capital improvements, or additions thereto, including but not limited to construction, renovation or purchase of facilities and capital equipment, *and (4) a supplementary statement of assets, liabilities, premium revenue and expenditures for risk sharing business under section 62D.04, subdivision 1, on forms prescribed by the commissioner;*

(b) The number of new enrollees enrolled during the year, the number of enrollees as of the end of the year and the number of enrollees terminated during the year;

(c) A summary of information compiled pursuant to section 62D.04, subdivision 1, clause (c) in such form as may be required by the commissioner of health;

(d) A report of the names and addresses of all persons set forth in section 62D.03, subdivision 4, clause (c) who were associated with the health

maintenance organization or the major participating entity during the preceding year, and the amount of wages, expense reimbursements, or other payments to such individuals for services to the health maintenance organization or the major participating entity, as those services relate to the health maintenance organization, including a full disclosure of all financial arrangements during the preceding year required to be disclosed pursuant to section 62D.03, subdivision 4, clause (d); and

(e) Such other information relating to the performance of the health maintenance organization as is reasonably necessary to enable the commissioner of health to carry out the duties under sections 62D.01 to 62D.29.

Sec. 3. Minnesota Statutes 1986, section 62D.10, is amended by adding a subdivision to read:

Subd. 6. Health maintenance organization contracts under section 62D.04, subdivision 1, shall include a clear statement of the risk sharing arrangement."

Delete the title and insert:

"A bill for an act relating to health; allowing health maintenance organizations to adjust premiums based on actual health services utilization; amending Minnesota Statutes 1986, sections 62D.04, subdivision 1; 62D.08, subdivision 3; and 62D.10, by adding a subdivision."

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

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

S.F. No. 789: A bill for an act relating to human services; establishing prepaid health plans under medical assistance; appropriating money; amending Minnesota Statutes 1986, sections 256.045, subdivision 3; 256B.02, by adding a subdivision; 256B.19, subdivision 1; 256B.69, by adding subdivisions; 256D.03, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 256B; repealing Minnesota Statutes 1986, section 256.966.

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

Page 2, line 4, delete "*For persons*"

Page 2, delete lines 5 and 6

Page 2, line 7, delete "*the responsibility of the prepaid health plan.*" and insert "*The prepaid health plan must notify the ombudsman on the same day of any complaint made under section 62D.11 by persons enrolled in a prepaid health plan under chapter 256B or 256D. At the time a complaint is made, the prepaid health plan must notify the recipient of the name and telephone number of the ombudsman. Recipients may request the assistance of the ombudsman in the complaint system process.*"

Page 2, line 9, after the period, insert "*The ombudsman may waive the requirement that the complaint system procedures be exhausted prior to an appeal if the ombudsman determines that the complaint must be resolved expeditiously in order to protect the recipient's health.*"

Page 2, after line 24, insert:

"(d) In a notice of appeal from a ruling of a prepaid health plan, a recipient may request an expedited hearing. The ombudsman, after discussing with the recipient his or her condition and in consultation with a health practitioner who practices in the specialty area of the recipient's primary diagnosis, shall investigate and determine whether an expedited appeal is warranted. In making the determination, the ombudsman shall evaluate whether the medical condition of the recipient, if not expeditiously diagnosed and treated, could cause physical or mental disability, substantial deterioration of physical or mental health, continuation of severe pain, or death. The ombudsman may order a second medical opinion from the prepaid health plan or order a second medical opinion from a non-prepaid health plan provider at prepaid health plan expense. If the ombudsman determines that an expedited appeal is warranted, the state welfare referee shall hear the appeal and render a decision within a time commensurate with the level of urgency involved, based on the individual circumstances of the case. In urgent or emergency situations in which a prepaid health plan provider has prescribed treatment, and the prepaid health plan has denied authorization for that treatment, the referee may order the health plan to authorize treatment pending the outcome of the appeal if an expedited hearing would not prevent disability, deterioration, severe pain, or death."

Page 3, line 36, delete "and"

Page 4, line 1, after "62D" insert ", and vendors of medical care and organizations participating in prepaid programs under section 256D.03, subdivision 4, clause (b),"

Page 4, line 2, after the period, insert "Notwithstanding any other law, health insurers may enter into contracts with the commissioner under this section. As a condition of the contract, health insurers and health service plan corporations must agree to comply with the requirements of section 62D.04, subdivision 1, clauses (a), (b), (c), (d), and (f), and provide a complaint procedure that satisfies the requirements of section 62D.11. Nothing in this section permits health insurers not licensed as health maintenance organizations under chapter 62D to offer a prepaid health plan as defined in section 2 to persons other than those receiving medical assistance or general assistance medical care under this section."

Page 4, line 10, delete everything after the period

Page 4, delete line 11

Page 5, line 7, after the period, insert "If a prepaid health plan contracts to provide services only within one county, an individual county maximum allowable per capita rate must be established for purposes of rates paid to that plan."

Page 5, line 11, delete "payment rates" and insert "the commissioner shall contract with an independent actuary to establish prepayment rates."

Page 5, delete lines 12 to 15

Page 5, line 16, delete "percent of the prepaid health plans submitting bids."

Page 5, delete lines 20 to 33 and insert:

"Subd. 5. [FREE CHOICE LIMITED.] (a) The commissioner may require recipients of aid to families with dependent children to enroll in a

prepaid health plan and receive services from or through the prepaid health plan. Aid to families with dependent children recipients who become eligible on or after December 1, 1987, must be enrolled when eligibility is determined.

(b) If the recipient does not choose a health plan within 45 days, the commissioner shall"

Page 5, line 34, delete "randomly" and after "plan" insert "according to paragraph (c)"

Page 5, line 36, delete "December 20, 1987" and insert "January 15, 1988"

Page 6, line 1, delete "December 20, 1987" and insert "January 15, 1988"

Page 6, line 2, delete "randomly"

Page 6, line 3, after the first "plan" insert "according to paragraph (c)"

Page 6, line 3, after the period, insert "Each recipient shall be enrolled in the health plan for a minimum period of six months following the effective date of enrollment, except that the recipient may change health plans once within the first 60 days after initial enrollment. The commissioner shall request a waiver from the federal Health Care Financing Administration to extend the minimum period to 12 months."

Page 6, after line 5, insert:

"(c) If a recipient does not choose a prepaid health plan within the required period and the recipient has received services within the past year from a provider under contract with a participating prepaid health plan, the commissioner shall, to the extent possible, assign the recipient to a plan that will allow the recipient to continue to receive services from the provider. In other cases involving a recipient who does not choose a plan, the commissioner shall randomly assign the recipient to a plan."

Page 6, line 6, before "Women" insert "(d)"

Page 6, line 12, before "If" insert "(e)"

Page 6, after line 29, insert:

"Subd. 7. [SERVICES PENDING APPEAL.] If the recipient appeals in writing to the state agency on or before the tenth day after the decision of the prepaid health plan to reduce, suspend or terminate services which the recipient had been receiving, and the treating physician or another plan physician orders the services to be continued at the previous level, the prepaid health plan must continue to provide services at a level equal to the level ordered by the plan's physician until the state agency renders its decision.

Subd. 8. [CONTRACT CASE MANAGEMENT.] In counties where the commissioner has fewer than two prepaid health plans under contract to provide health care services to eligible classes of recipients, the commissioner may require recipients to choose a case manager. The case manager is a health care provider who manages an array of health services identified by the commissioner in a contract, and provides or makes referrals for contract health services necessary for the recipient. Reimbursement to case managers must be subject to performance standards established by the commissioner. The commissioner may seek appropriate federal waivers and

adopt rules necessary to implement this subdivision. The commissioner may contract with case managers only when the cost of the contract is anticipated to be less than the projected expenditures without the contract.

Subd. 9. [PREPAYMENT COORDINATOR.] The local agency shall designate a prepayment coordinator to assist the state agency in implementing this section, section 256B.69, and section 256D.03, subdivision 4. Assistance must include educating recipients about available health care options, enrolling recipients under subdivision 5, providing necessary eligibility and enrollment information to health plans and the state agency, and coordinating complaints and appeals with the ombudsman established in subdivision 6.

Subd. 10. [IMPACT ON PUBLIC OR TEACHING HOSPITALS AND COMMUNITY CLINICS.] (a) Before implementing prepaid programs in counties with a county operated or affiliated public teaching hospital or a hospital or clinic operated by the University of Minnesota, the commissioner shall consider the risks the prepaid program creates for the hospital and allow the county or hospital the opportunity to participate in the program, provided the terms of participation in the program are competitive with the terms of other participants.

(b) Prepaid health plans serving counties with a nonprofit community clinic must contract with the clinic to provide services to clients who choose to receive services from the clinic, if the clinic agrees to payment rates that are competitive with rates paid to other providers for similar services.

Sec. 5. Minnesota Statutes 1986, section 256B.69, subdivision 6, is amended to read:

Subd. 6. [SERVICE DELIVERY.] (a) Each demonstration provider shall be responsible for the health care coordination for eligible individuals. Demonstration providers:

(a) (1) shall authorize and arrange for the provision of all needed health services including but not limited to the full range of services listed in section 256B.02, subdivision 8, in order to ensure appropriate health care is delivered to enrollees;

(b) (2) shall accept the prospective, per capita payment from the commissioner in return for the provision of comprehensive and coordinated health care services for eligible individuals enrolled in the program;

(c) (3) may contract with other health care and social service practitioners to provide services to enrollees; and

(d) (4) shall institute recipient grievance procedures according to the method established by the project, utilizing applicable requirements of chapter 62D. Disputes not resolved through this process shall be appealable to the commissioner as provided in subdivision 11.

(b) Demonstration providers must comply with the standards for claims settlement under section 72A.20, subdivision 12a, paragraphs (d), (e), (g), and (h), when contracting with other health care and social service practitioners to provide services to enrollees. A demonstration provider must pay a claim within 30 business days of the date of acceptance of the claim."

Page 7, line 7, after "services" insert "or may be expedited based on the request of a recipient appealing for nonemergency services" and after

the period, insert *"The ombudsman, after discussing the recipient's condition with the recipient and in consultation with a health practitioner who practices in the specialty area of the recipient's diagnosis, shall investigate and determine whether an expedited appeal is warranted. In making the determination, the ombudsman shall evaluate whether the medical condition of the recipient, if not expeditiously diagnosed and treated, could cause physical or mental disability, substantial deterioration of physical or mental health, continuation of severe pain, or death. The ombudsman may order a second medical opinion from the prepaid health plan or order a second medical opinion from a nonprepaid health plan provider at prepaid health plan expense. If the ombudsman determines that an expedited appeal is warranted, the panel shall hear the appeal and render a decision within a time commensurate with the level of urgency involved, based on the individual circumstances of the case."*

Page 8, after line 18, insert:

"Sec. 11. Minnesota Statutes 1986, section 256B.69, is amended by adding a subdivision to read:

Subd. 16. [PROJECT EXTENSION.] Minnesota Rules, parts 9550.1450; 9500.1451; 9500.1452; 9500.1453; 9500.1454; 9500.1455; 9500.1456; 9500.1457; 9500.1458; 9500.1459; 9500.1460; 9500.1461; 9500.1462; 9500.1463; and 9500.1464, are extended until December 31, 1990."

Page 11, line 4, delete "\$163,400" and insert "\$_____"

Page 11, line 6, delete "\$60,000" in both places and insert "\$_____" in both places

Page 11, line 7, delete "two" and insert "five"

Page 11, line 8, after "services" insert ", including one client ombudsman, three persons to work with county agencies, and one person to handle appeals"

Page 11, line 14, delete "section" and insert "sections" and delete "is" and insert "and 256B.05, subdivision 4, are"

Page 11, line 17, delete "12" and insert "14"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, after "256B.69," insert "subdivisions 6 and 11, and"

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

H.F. No. 557: A bill for an act relating to state departments and agencies; renaming the mental retardation division of the department of human services; amending Minnesota Statutes 1986, section 245.072.

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

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

S.F. No. 1368: A bill for an act relating to human services; creating a new formula for distribution of administrative aid to counties; eliminating equalization aid to counties; amending Minnesota Statutes 1986, section 256D.22; repealing Minnesota Statutes 1986, section 245.74.

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

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

S.F. No. 998: A bill for an act relating to human services; defining directors, officers, and partners as vendors of medical care for the purpose of medical assistance; allowing the commissioner to charge interest on money recovered from certain medical assistance providers; allowing sanction authority; amending Minnesota Statutes 1986, sections 256B.02, subdivision 7; 256B.064, subdivision 1c; and 256B.27, subdivisions 3 and 4.

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

Page 2, line 5, after the period, insert "*The term only includes directors and officers of corporations who personally receive a portion of the distributed assets upon liquidation or dissolution, and their liability is limited to the portion of the claim that bears the same proportion to the total claim as their share of the distributed assets bears to the total distributed assets.*"

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. 563: A bill for an act relating to human services; extending subsidized adoption program; amending Minnesota Statutes 1986, section 259.40, subdivisions 1, 2, and 3.

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

Page 2, line 33, delete "*in the care*" and insert "*is the legal or financial dependent*"

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. 1041: A bill for an act relating to health; providing for a local public health act; defining the powers and duties of boards of health; providing discretionary county ordnancing power; authorizing the community health service subsidy; authorizing grants; providing penalties; amending Minnesota Statutes 1986, sections 35.67; 35.68; 144.36; 144.37; 145.075; and 145.923; and Laws 1969, chapter 235, section 3, subdivisions 2 and 4; proposing coding for new law as Minnesota Statutes, chapter

145A; repealing Minnesota Statutes 1986, sections 145.01 to 145.07; 145.08 to 145.125; 145.17 to 145.23; 145.24, subdivisions 1 and 2; 145.47 to 145.55; 145.911; 145.912, subdivisions 1 to 8, 10 to 15, 19, and 20; 145.913 to 145.92; and 145.922.

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

Page 4, line 15, delete "*a nuisance as defined in sections 561.01 and*"

Page 4, delete line 16 and insert "*any activity or failure to act that adversely affects the public health.*"

Page 8, delete lines 15 and 16 and insert "*enforce, or to enjoin as a public health nuisance any activity or failure to act that adversely affects the public health.*"

Page 24, line 21, strike "promulgate" and insert "*adopt, or to enjoin as a public health nuisance any activity or failure to act that adversely affects the public health*"

Page 24, lines 22 and 23, strike the old language and delete the new language

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

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

H.F. No. 923: A bill for an act relating to human services; regulating budgets and procedures of human services boards; amending Minnesota Statutes 1986, sections 402.02, subdivision 2; 402.05, subdivision 1a; and 402.062, subdivisions 1 and 2; repealing Minnesota Statutes 1986, section 402.095.

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. 917: A bill for an act relating to human services; requiring director of state planning agency to contract for development of client advisory committees; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 252.

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

Page 1, line 18, delete "*director of the state*" and insert "*commissioner of jobs and training, through the division of rehabilitation resources*"

Page 1, delete line 19

Page 1, line 20, delete "*disabilities*"

Page 1, line 22, delete the first comma and insert "*and*" and delete the second comma

Page 1, line 23, delete everything before the second "*and*"

Page 1, line 24, delete "*as appropriate to*" and insert "*and technical assistance to client advisory committees in*"

Page 2, line 11, delete "*Members of*"

Page 2, line 12, after "*committee*" insert "*shall consist of not more than 12 members who*"

Page 2, line 16, delete "*director of the state planning agency*" and insert "*commissioner of jobs and training*"

Amend the title as follows:

Page 1, lines 2 and 3, delete "*director of state planning agency*" and insert "*commissioner of jobs and training*"

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. 575: A bill for an act relating to organ donation; appropriating money to print driver's license renewal notice communications about organ donation.

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

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

S.F. No. 1190: A bill for an act relating to the Minneapolis park and recreation board; permitting the establishment of a park board personnel system; requiring the park board to adopt current Minneapolis civil service commission provisions; providing employee protections.

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

H.F. No. 1416: A bill for an act relating to the city of Minneapolis; providing for the appointment of the director of the office of emergency preparedness; amending Laws 1969, chapter 937, section 1, by adding a subdivision.

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. 1162: A bill for an act relating to local improvements; permitting the issuance of general obligation bonds for certain pedestrian skyways; amending Minnesota Statutes 1986, section 429.091, subdivision 2.

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. 1241: A bill for an act relating to metropolitan government; providing for qualifications of commission members, budget criteria, plans, and reports; amending Minnesota Statutes 1986, sections 473.141, subdivision 2, and by adding a subdivision; 473.161, subdivision 1c; 473.1623, subdivisions 4 and 5; 473.303, by adding a subdivision; 473.377, subdivision 1; and 473.604, subdivision 1, 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 1986, section 473.141, subdivision 2, is amended to read:

Subd. 2. [MEMBERSHIP; APPOINTMENTS.] (a) Each agency consists of eight members, plus a chair appointed as provided in subdivision 3. The metropolitan council shall appoint the eight members on a nonpartisan basis after consultation with the members of the legislature from the district for which the member is to be appointed. *The consultation with legislators in the affected district must include informing each legislator of the name, address, and background of each candidate for appointment and soliciting and reporting to the appointments committee the recommendations of each legislator on the appointment.*

(b) In addition to the notice required in section 15.0597, subdivision 4, notice of vacancies and expiration of terms must be published in newspapers of general circulation in the metropolitan area and the appropriate districts. The council shall notify in writing the governing bodies of the statutory and home rule charter cities, counties, and towns having territory in the district for which the member is to be appointed. The notices must describe the appointment process and invite participation and recommendations on the appointment.

(c) The council shall establish an appointments committee, composed of members of the council, to screen and review candidates. Following the submission of member applications to the metropolitan council as provided under section 15.0597, subdivision 5, the appointments committee shall conduct public meetings, following appropriate notice, to accept statements from or on behalf of persons who have applied or been nominated for appointment and to allow consultation with and secure the advice of the public and local elected officials. The committee shall hold the meeting on each appointment in the district or in a reasonably convenient and accessible location in the part of the metropolitan area in which the district is located. The committee may consolidate meetings. Following the meetings, the committee shall submit to the council a written report that lists the persons who have applied or been nominated or recommended for the position, along with a description of the background and qualifications of each. *In making its recommendation, the committee specifically shall consider evidence of the candidate's commitment to regularly communicate on issues before the agency with metropolitan council members, legislators and local elected officials in the district, and the committee shall report its findings on this subject in its written report to the council.*

(d) One member shall be appointed from each of the following agency districts:

- (1) district A, consisting of council districts 1 and 2;
- (2) district B, consisting of council districts 3 and 7;
- (3) district C, consisting of council districts 4 and 5;
- (4) district D, consisting of council districts 6 and 10;
- (5) district E, consisting of council districts 8 and 9;
- (6) district F, consisting of council districts 11 and 12;
- (7) district G, consisting of council districts 13 and 14; and
- (8) district H, consisting of council districts 15 and 16.

Sec. 2. Minnesota Statutes 1986, section 473.141, is amended by adding a subdivision to read:

Subd. 3a. [MEMBERS; DUTIES.] Each member shall communicate regularly with metropolitan council members, legislators, and local government officials in the district the member represents.

Sec. 3. Minnesota Statutes 1986, section 473.161, subdivision 1c, is amended to read:

Subd. 1c. [SERVICES AND SYSTEMS MANAGEMENT.] The plan must include a services and systems management component that describes the levels and costs of services that will be provided to service areas and populations within the metropolitan area. The component must describe: (1) service needs, objectives, and priorities; (2) changes in existing services; (3) deployment of new services; (4) distribution and coordination of services; (5) timing, priority, and location, with maps, of service areas, routes, levels of service, and similar matters, as appropriate to the type of service; (6) delivery methods and providers; ~~(6)~~ (7) system management and administration; ~~(7)~~ (8) costs; ~~(8)~~ (9) manner of finance and revenue sources, including federal and state funds, private funds, taxes, and user charges; and ~~(9)~~ (10) fiscal effects.

Sec. 4. Minnesota Statutes 1986, section 473.1623, subdivision 2, is amended to read:

Subd. 2. [FINANCIAL REPORTING AND MANAGEMENT ADVISORY COMMITTEE.] A financial reporting and management advisory committee is created, consisting of the chairs of the council and the following metropolitan agencies: the waste control commission, transit board, transit commission, metropolitan airports commission, and sports facilities commission. The committee is established to assist and advise the council and other governing boards in meeting the requirements of this section. Staff and administrative services for the committee must be provided by the council and the member agencies. Other agencies shall make financial information available upon request.

Sec. 5. Minnesota Statutes 1986, section 473.1623, subdivision 4, is amended to read:

Subd. 4. [FINANCIAL REPORTING; BUDGETING.] (a) The advisory committee, with the assistance of the state auditor and the legislative auditor, shall develop uniform or consistent standards, formats, and procedures for the budgets and financial reports of the council and all metropolitan agencies. The council shall report to the legislature from time to time on progress made by the committee in improving the uniformity and

quality of budgets and financial reports and on legislation that may be needed for this purpose.

(b) The council and each metropolitan agency shall prepare a summary budget for agency fiscal year 1988 and each year thereafter. The advisory committee, with the assistance of the state auditor and the legislative auditor, shall develop guidelines and models for the summary budgets. The purpose of the summary budget is to increase public knowledge and agency accountability by providing citizens outside of the agency with a condensed, accessible, and graphic description of the financial affairs of the agency. The document should contain a coherent, effectively communicated, understandable statement of: financial trends and forecasts; budget policies and policy changes; agency financial assumptions, objectives and plans; revenue sources and expenditures by program category; personnel policies, decisions, and allocation; budgetary performance measures; and similar matters serving the purpose of the document.

Sec. 6. Minnesota Statutes 1986, section 473.1623, subdivision 5, is amended to read:

Subd. 5. [ADMINISTRATIVE COORDINATION.] The advisory committee shall evaluate the benefits, costs, methods, and effects, including operational effects, of joint or uniform and coordinated exercise of powers by the council and metropolitan agencies for appropriate administrative functions. The study must include at least ongoing managerial reporting, contracts, purchasing, data processing, and personnel. The council shall report to the legislature *from time to time* on the findings and recommendations of the advisory committee to date ~~by January 1, 1987~~, and on legal and other impediments to increased coordination of administrative functions. Before submitting the report, the council shall request comments on the report from the affected metropolitan agencies, and the comments must be submitted along with the report.

Sec. 7. [473.166] [METROPOLITAN TRANSIT PLANNING PROCESS.]

By January 15, 1988, the council shall report to the legislature a recommended process for coordinating the planning of transit development by regional railroad authorities.

Sec. 8. [473.247] [METROPOLITAN AGENCIES; PUBLIC INFORMATION.]

The council shall publish a consolidated metropolitan bulletin or register containing official notices, meeting and hearing schedules, notices of adopted ordinances, rules, policies, and similar matters for the council and all metropolitan agencies. Metropolitan agencies shall cooperate with the council in providing timely information for publication.

Sec. 9. Minnesota Statutes 1986, section 473.303, is amended by adding a subdivision to read:

Subd. 3a. [MEMBERS; DUTIES.] *Members have the duties imposed by section 2.*

Sec. 10. Minnesota Statutes 1986, section 473.377, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENT.] The transit board shall prepare, submit to the council, and adopt an implementation plan as provided in section 473.161. *The services and systems management component of the board's*

plan must include a description of the special transportation service provided under section 473.386. The board shall prepare an implementation plan meeting the requirements of this section and submit the plan to the council by August 1, 1986, and thereafter at a time prescribed by the council.

Sec. 11. Minnesota Statutes 1986, section 473.604, subdivision 1, is amended to read:

Subdivision 1. The following persons and their respective successors shall constitute the members and governing body of the corporation, namely:

(1) All of the members and commissioners in office January 1, 1973, for the remainder of the terms for which they were appointed or otherwise selected, respectively;

(2) The mayor of each of the cities, or a qualified voter appointed by the mayor, for the term of office as mayor;

(3) A member of the council of each of the cities, appointed by the council for a term of four years commencing in July, 1977;

(4) A member of the park board of Minneapolis appointed by that board and a second member of the council of St. Paul, appointed by it, each for a term of two years commencing in July, 1979;

(5) One additional resident of each city, who does not hold any office under the state or any of its political subdivisions except that of notary public, herein termed a "citizen commissioner," such member in St. Paul to be appointed by the mayor, with the approval of the council, and in Minneapolis by the council, with the approval of the mayor; each for a term of two years commencing in July, 1979;

(6) Six additional members, each appointed by the governor on a non-partisan basis, and each holding no other office under the state or any of its political subdivisions except that of notary public; for terms and with residence qualifications as follows:

(a) (1) A resident of the area of the counties of Washington and Ramsey, outside of St. Paul, for a four-year term commencing in July, 1974, and a successor for a term ending July 1, 1981;

(2) A resident of the county of Anoka, for a four-year term commencing in July, 1974, and a successor for a term ending July 1, 1981;

(3) Three residents of the area of the counties of Carver, Scott and Hennepin, outside Minneapolis, for a two-year term commencing in July, 1974, and their successors for a term ending July 1, 1981;

(4) A resident of the county of Dakota, for a four-year term commencing in July, 1974, and a successor for a term ending July 1, 1981;

(b) As successors to all members referred to in paragraphs (2) to (6)(a), whose terms will expire in July, 1981, a number of members appointed from precincts equal or nearest to but not exceeding half the number of districts which are provided by law for the selection of members of the metropolitan council in section 473.123. Each member shall be a resident of the precinct represented. The members shall be appointed by the governor as follows: a number as near as possible to one-fourth, for a term of one year; a similar number for a term of two years; a similar number for a term of three years; and a similar number for a term of four years, all of

which terms shall commence on July 1, 1981. The successors of each member shall be appointed for four-year terms commencing in July of each fourth year after the expiration of the original term. *Before making an appointment, the governor shall consult with each member of the legislature from the precinct for which the member is to be appointed, to solicit the legislator's recommendation on the appointment;*

(7) One member appointed by the governor of the state, who shall be chair of the corporation, appointed for a term coterminous with that of the governor.

Sec. 12. Minnesota Statutes 1986, section 473.604, is amended by adding a subdivision to read:

Subd. 7. [MEMBERS; DUTIES.] Members appointed under subdivision 1, clause (b), have the duties imposed by section 2.

Sec. 13. [REPORT; METROPOLITAN AGENCIES.]

By January 1, 1988, the council and each agency represented on the advisory committee established under section 473.1623 shall report to the legislature on the following:

(1) agency personnel practices, including an analysis of trends, compliance with legal requirements, health care and other benefits, and salary levels in comparison with relevant job markets;

(2) ethical practices requirements for board members and employees of each agency, including the sources of the requirements, agency comparisons, and comparison with requirements for state and local government officers and employees.

Sec. 14. [APPLICATION.]

Sections 1 to 10 are effective in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 15. [REPEALER.]

Minnesota Statutes 1986, section 473.398, is repealed.

Sec. 16. [EFFECTIVE DATE.]

Section 7 is effective the day following final enactment."

Amend the title as follows:

Page 1, line 7, after "subdivisions" insert "2," and after "4" insert a comma

Page 1, line 9, before the period, insert "; proposing coding for new law in Minnesota Statutes, chapter 473; repealing Minnesota Statutes 1986, section 473.398"

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

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

S.F. No. 1322: A bill for an act relating to towns; providing procedures for their organization and dissolution; amending Minnesota Statutes 1986, sections 365.45; 368.47; and 379.01.

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 1986, section 365.45, is amended to read:

365.45 [DISSOLUTION OF TOWNS.]

When the electors of any town, at the annual meeting, or at a special meeting called for that purpose, shall have voted, by ballot, to dissolve the town organization hereunder, the town board thereof shall adopt a resolution setting forth such facts and asking for the dissolution of the town; and a copy of the resolution, a petition signed by a majority of the registered voters of the town calling for the dissolution of the town organization is filed with the town clerk at least 60 days before a regular or special town election, the question of whether to dissolve the town shall be submitted to the voters at the regular or special town election in the same manner provided in section 368.47. The result of the election, duly certified by the town clerk, shall be presented to the board of county commissioners of the county in which ~~such~~ the town is located, ~~such~~. The board of county commissioners ~~may~~ shall, or whenever the tax delinquency in any town exceeds 70 percent in any one year, the board of county commissioners of the county wherein ~~such~~ the town is situated, on its own initiative, may, by resolution, dissolve ~~such~~ the town and attach the territory formerly embraced therein to an adjoining town or towns, or provide for the government of ~~such~~ the territory as unorganized territory of the county. If ~~such~~ the dissolved territory is added to an adjoining town the proposal ~~therefor~~ shall first have the approval of a five-eighths majority of the voting electors of ~~such~~ the town to which the dissolved territory is added. Upon the adoption of the resolution by the county board ~~such~~ the town shall be dissolved and no longer entitled to exercise any of the powers or functions of an organized town. The county auditor shall give ten days notice, by one publication in the paper in which the proceedings of the county board are published, of the meeting of the county board at which ~~such~~ petition the dissolution of the town will be considered.

Sec. 2. Minnesota Statutes 1986, section 368.47, is amended to read:

368.47 [TOWNS MAY BE DISSOLVED.]

When the voters residing within a town in this state have failed to elect any town officials for more than ten years continuously ~~immediately prior to April 24, 1937,~~ or the town has failed and omitted for a period of ten years to exercise any of the powers and functions of a town, as provided by law, or when the assessed valuation of any town drops to less than \$40,000, or when the tax delinquency of any such town, exclusive of taxes that are delinquent or unpaid by reason of taxes being contested in proceedings for the enforcement of taxes, amounts to 50 percent of its assessed valuation, or where the state or federal government has acquired title to 50 percent of the real estate of such town, which facts, or any of them, may be found and determined by the resolution of the county board of the county in which the town is located, according to the official records in the office of the county auditor, the county board by resolution may declare any such town, naming it, duly dissolved and no longer entitled to exercise any of the powers or functions of a town. In counties having a population according to the 1930 federal census of not more than 16,000 nor less than 15,000

and having not more than 77 nor less than 75 full or fractional congressional townships, and in counties having a population according to the 1930 federal census of not more than 28,000 nor less than 27,000 and having not more than 91 nor less than 90 full or fractional congressional townships, and in counties having a population according to the 1930 federal census of not more than 210,000 nor less than 200,000 and having not more than 202 nor less than 200 full or fractional congressional townships, before any such dissolution shall become effective the ~~freeholders~~ voters of the town ~~may~~ shall express their approval or disapproval of such dissolution. The clerk of the town shall, upon the ~~petition of ten legal voters of such a~~ *petition signed by a majority of the registered voters of the town*, filed with the clerk at least ~~45~~ 60 days before any regular or special town election thereof, give notice at the same time and in the same manner of such election that the question of dissolution of such town will be submitted for determination at such election. At such election when so petitioned for the question shall be voted upon by a separate ballot, the terms of which shall be either "for dissolution" or "against dissolution," which ballot shall be deposited in a separate ballot box to be provided and the result of such voting shall be duly canvassed, certified, and returned in the same manner and at the same time as other facts and returns of the election. If a majority of the votes cast at the election shall be for dissolution, such town shall be dissolved; and, if a majority of the votes cast at the election shall be against dissolution, the town shall not be dissolved.

When a town is dissolved under the provisions of sections 368.47 to 368.49 the county shall acquire title to any telephone company or any other business being conducted by such town and such business shall be operated by the board of county commissioners until such time as a sale thereof can be made; provided that the subscribers or patrons of such businesses shall have the first opportunity of purchase. If such dissolved town has any outstanding indebtedness chargeable to such business, the auditor of the county wherein such dissolved town is located shall levy a tax against the property situated in the dissolved town for the purpose of paying the indebtedness as it becomes due.

Sec. 3. Minnesota Statutes 1986, section 379.01, is amended to read:
379.01 [ORGANIZATION.]

Subdivision 1. [MANNER; PETITION; NAME.] When a majority of the ~~legal~~ *registered* voters of any congressional township containing not less than 25 legal voters petition the county board to be organized as a town such board shall forthwith *call an election on the question. If a majority of the vote in the township is in favor of organization, the county board shall proceed to fix and determine the boundaries of such new town and name the same and make and file with the auditor a full report of its proceedings in relation to the establishment thereof. Towns thus formed shall be named in accordance with the expressed wish of a majority of its voters. If they fail to request a name, the board shall select one.*

Subd. 2. [PETITION BY FREEHOLDERS.] When a majority of the resident freeholders of any one, two, three, four, or five congressional townships containing in the aggregate not less than 25 freeholders who are legal voters petition the county board to be organized as a town such board shall forthwith *call an election on the question. If a majority of the vote in the townships is in favor of organization, the county board shall proceed to fix and determine the boundaries of such new town and name the same*

and make and file with the county auditor a full report of its proceedings in relation to the establishment thereof. For the purposes of this section the word "freeholders" shall be construed to include any person who is a legal voter in any such town occupying real estate therein under the home-
stead or preemption laws of the United States or under contract of purchase from any person or corporation or from the state of Minnesota.

Subd. 3. [ORGANIZATIONAL MEETING.] If the result of an election held under this section is in the affirmative the county shall arrange for the holding of the first organizational meeting not more than 30 days after the election in the township to be organized.

Subd. 4. [CONDUCT OF ELECTION; COSTS.] The county auditor shall have the ballots printed for an election under this section, and shall otherwise make preparation for the election including having a notice published in the official newspaper of the county once a week for two successive weeks stating the date of the election and the question to be voted on. The last publication shall be no later than ten days before the election. The cost of the election shall be borne by the county."

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

H.F. No. 1223: A bill for an act relating to Morrison county; removing special qualifications for newspapers; repealing Laws 1980, chapter 526.

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

Page 1, after line 6, insert:

"Section 1. Minnesota Statutes 1986, section 331A.02, subdivision 1, is amended to read:

Subdivision 1. [QUALIFICATION.] No newspaper in this state shall be entitled to any compensation or fee for publishing any public notice unless it is qualified as a medium of official and legal publication. To be qualified as a medium of official and legal publication, a newspaper shall:

(a) be printed in the English language in newspaper format and in column and sheet form equivalent in printed space to at least 1,000 square inches;

(b) if a daily, be distributed at least five days each week, or if not a daily, be distributed at least once each week, for 50 weeks each year. In any week in which a legal holiday is included, not more than four issues of a daily paper are necessary;

(c) in at least half of its issues each year, have no more than 75 percent of its printed space comprised of advertising material and paid public notices. In all of its issues each year, have 25 percent, if published more often than weekly, or 50 percent, if weekly, of its news columns devoted to news of local interest to the community which it purports to serve. Not more than 25 percent of its total nonadvertising column inches in any issue may wholly duplicate any other publication unless the duplicated material is from recognized general news services;

(d) be circulated in the local public corporation which it purports to

serve, and either have at least 500 copies regularly delivered to paying subscribers ~~and have entry as second class matter in its local post office,~~ or have at least 500 copies regularly distributed without charge to local residents;

(e) have its known office of issue established in either the county in which lies, in whole or in part, the local public corporation which the newspaper purports to serve, or in an adjoining county;

(f) file a copy of each issue immediately with the state historical society;

(g) be made available at single or subscription prices to any person, corporation, partnership, or other unincorporated association requesting the newspaper and making the applicable payment, or be distributed without charge to local residents;

(h) have complied with all the foregoing conditions of this subdivision for at least one year immediately preceding the date of the notice publication;

(i) the newspaper must before January 1 of each year publish and submit to the secretary of state, along with a filing fee of \$25, a sworn United States Post Office second-class statement of ownership and circulation or a statement of ownership and circulation verified by a recognized independent circulation auditing agency *covering a period of not less than one year ending at least 120 days before the filing deadline.*"

Page 1, line 11, delete "*this act*" and insert "*section 2*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, delete lines 2 and 3 and insert "relating to legal newspapers; modifying certain requirements to qualify as a legal newspaper; removing special qualifications for newspapers in Morrison county; amending Minnesota Statutes 1986, section 331A.02, subdivision 1; repealing Laws 1980,"

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

Mr. Purfeerst from the Committee on Transportation, to which was referred

S.F. No. 29: A bill for an act relating to drivers' licenses; permitting limited license for homemaker; amending Minnesota Statutes 1986, section 171.30, subdivision 1.

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

Page 1, delete line 19 and insert "*educational, medical, or nutritional needs of the family of the homemaker;*"

Page 2, line 13, before the period, insert "*or another dependent person*"

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

Mr. Purfeerst from the Committee on Transportation, to which was referred

H.F. No. 542: A bill for an act relating to transportation; providing an alternative procedure to record town roads; proposing coding for new law in Minnesota Statutes, chapter 164.

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

Mr. Purfeerst from the Committee on Transportation, to which was referred

S.F. No. 634: A bill for an act relating to motor vehicles; permitting seven characters on personalized license plates; amending Minnesota Statutes 1986, section 168.12, subdivision 2a.

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

Mr. Purfeerst from the Committee on Transportation, to which was referred

S.F. No. 228: A bill for an act relating to motor vehicles; taxation; providing for taxation of pickup trucks with a carrying capacity of 2,000 pounds or less; amending Minnesota Statutes 1986, section 168.011, subdivision 7.

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 1986, section 168.013, subdivision 1e, is amended to read:

Subd. 1e. [TRUCKS; TRACTORS; COMBINATIONS; EXCEPTIONS.] On trucks and tractors except those in this chapter defined as farm trucks, on truck-tractor and semitrailer combinations except those defined as farm combinations, and on commercial zone vehicles, the tax based on total gross weight shall be graduated according to the Minnesota base rate schedule prescribed in this subdivision, ~~but~~ and in no event less than \$120, *except in the case of vehicles registered at a gross weight of 9,000 pounds or less that are in the ninth or succeeding year of vehicle life the tax is \$35.*

Minnesota Base Rate Schedule
Scheduled taxes include five percent
surtax provided for in subdivision 14

TOTAL GROSS WEIGHT IN POUNDS		TAX
A	0 - 1,500	\$ 15
B	1,501 - 3,000	20
C	3,001 - 4,500	25
D	4,501 - 6,000	35
E	6,001 - 9,000	45
F	9,001 - 12,000	70
G	12,001 - 15,000	105
H	15,001 - 18,000	145
I	18,001 - 21,000	190
J	21,001 - 26,000	270
K	26,001 - 33,000	360
L	33,001 - 39,000	475
M	39,001 - 45,000	595
N	45,001 - 51,000	715

O	51,001 - 57,000	865
P	57,001 - 63,000	1015
Q	63,001 - 69,000	1185
R	69,001 - 73,280	1325
S	73,281 - 78,000	1595
T	78,001 - 81,000	1760

For purposes of the Minnesota base rate schedule, for vehicles with six or more axles in the "S" and "T" categories, the base rates are \$1,520 and \$1,620 respectively.

For each vehicle with a gross weight in excess of 81,000 pounds an additional tax of \$50 is imposed for each ton or fraction thereof in excess of 81,000 pounds, subject to subdivision 12.

Truck-tractors except those herein defined as farm and commercial zone vehicles shall be taxed in accord with the foregoing gross weight tax schedule on the basis of the combined gross weight of the truck-tractor and any semitrailer or semitrailers which the applicant proposes to combine with the truck-tractor.

Commercial zone trucks include only trucks, truck-tractors, and semitrailer combinations which are:

(1) used by an authorized local cartage carrier operating under a permit issued under section 221.296 and whose gross transportation revenue consists of at least 60 percent obtained solely from local cartage carriage, and are operated solely within an area composed of two contiguous cities of the first class and municipalities contiguous thereto as defined by section 221.011, subdivision 17; or,

(2) operated by an interstate carrier registered under section 221.60, or by an authorized local cartage carrier or other carrier receiving operating authority under chapter 221, and operated solely within a zone exempt from regulation by the interstate commerce commission pursuant to United States Code, title 49, section 10526(b).

The license plates issued for commercial zone vehicles shall be plainly marked. A person operating a commercial zone vehicle outside the zone or area in which its operation is authorized is guilty of a misdemeanor and, in addition to the penalty therefor, shall have the registration of the vehicle as a commercial zone vehicle revoked by the registrar and shall be required to reregister the vehicle at 100 percent of the full annual tax prescribed in the Minnesota base rate schedule, and no part of this tax shall be refunded during the balance of the registration year.

On commercial zone trucks the tax shall be based on the total gross weight of the vehicle and during each of the first eight years of vehicle life shall be 75 percent of the Minnesota base rate schedule. During the ninth and succeeding years of vehicle life the tax shall be 50 percent of the Minnesota base rate schedule.

On trucks, truck-tractors and semitrailer combinations, except those defined as farm trucks and farm combinations, *except for pickup trucks with a carrying capacity of 2,000 pounds or less and in the ninth or succeeding year of vehicle life*, and except for those commercial zone vehicles specifically provided for in this subdivision, the tax for each of the first eight years of vehicle life shall be 100 percent of the tax imposed in the Minnesota base rate schedule, and during the ninth and succeeding years of vehicle

life, the tax shall be 75 percent of the Minnesota base rate prescribed by this subdivision.

For a truck with a manufacturer's nominal rated carrying capacity of 2,000 pounds or less, in the ninth or succeeding year of vehicle life, that would conform to the definition of pickup truck except that the carrying capacity of the truck is greater than 1,500 pounds, the tax is the same as for a pickup truck of the same age, taxed under subdivision 1a. If the truck does not have a manufacturer's rated carrying capacity, the capacity is computed by subtracting the unladen weight of the truck from its gross vehicle weight. The truck must retain its commercial license plates."

Delete the title and insert:

"A bill for an act relating to motor vehicles; taxation; providing for taxation of pickup trucks with a carrying capacity of 2,000 pounds or less; amending Minnesota Statutes 1986, section 168.013, subdivision 1e."

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

Mr. Davis from the Committee on Agriculture, to which was referred

H.F. No. 575: A resolution memorializing the President and Congress to immediately direct the Farmers Home Administration to participate in and cooperate with the Farmer-Lender Mediation Program in the State of Minnesota.

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

Mr. Davis from the Committee on Agriculture, to which was referred

S.F. No. 1484: A bill for an act relating to grain grading and testing; providing that state grades and test results may be the basis for market price; amending Minnesota Statutes 1986, section 17B.05.

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

Page 1, delete lines 15 to 18 and insert "*price of such the grain, an average sample of at least three quarts of said the grain in dispute may be taken by either or both of the parties interested. Said sample or The commissioner shall prescribe a procedure for taking samples and having the samples shall be certified to by both the owner and receiver*"

Page 1, line 21, delete everything after "sampled"

Page 1, delete lines 22 to 25

Page 2, line 1, delete the new language

Page 2, delete lines 6 and 7 and insert "*program division of the Minnesota department of agriculture who shall, upon request, The head of the grain inspection division shall examine said grain samples submitted, and adjudge*"

Page 2, line 9, strike "or" and before "other" insert "and"

Page 2, line 13, after the period, insert "*The test results must be based on the arithmetic mean of the samples submitted.*"

Page 2, line 15, delete "qualities" and insert "factors"

Page 2, delete lines 16 to 27 and insert "only the requested tests on the samples. ~~Before the results of the inspection are released to the A person requesting the inspection, said person shall make payment of must pay the required fee before the results of the inspection are released.~~ The fee charged ~~shall must~~ be the same as that required for similar services rendered by the grain inspection ~~program~~ division. Payment for the grain involved in a disagreement must be made on the basis of grade, dockage, moisture content, protein content, and other market pricing factors certified by the department on samples submitted. An appeal of the determination made by the department may be made as provided under the United States Grain Standards Act, United States Code, title 7, section 79, subsection (c), and the code of Federal Regulations, title 7, sections 800.125 to 800.140. A person receiving or delivering grain that is subject to this section is liable for damages resulting from not abiding by the determination made by the department. A person who violates this section is subject to penalties prescribed in section 17B.29."

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. 583: A bill for an act relating to education; removing references to repealed statutes; removing obsolete language; amending Minnesota Statutes 1986, sections 122.541, subdivision 2; 125.611, subdivisions 10, 11, 12, and 13; 136D.27; 136D.74, subdivision 2; and 136D.87; repealing Minnesota Statutes 1986, section 125.611, subdivisions 8 and 9.

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 AND GENERAL EDUCATION REVENUE

Section 1. Minnesota Statutes 1986, section 124.17, is amended by adding a subdivision to read:

Subd. 1b. [AFDC PUPIL UNITS.] In a district in which the number of pupils from families receiving aid to families with dependent children equals six percent or more of the actual pupil units in the district for the same year, as computed in subdivision 1, each such pupil shall be counted as an additional one-tenth of a pupil unit for each percent of concentration over five percent of such pupils in the district. The percent of concentration shall be rounded down to the nearest whole percent. In a district in which the percent of concentration is less than six, additional pupil units may not be counted for such pupils. A pupil may not be counted as more than .6 additional pupil unit under this subdivision. The weighting in this subdivision is in addition to the weighting provided in subdivision 1.

Sec. 2. Minnesota Statutes 1986, section 124.2162, is amended by adding a subdivision to read:

Subd. 3. [REDISTRIBUTION.] For purposes of aid calculations, the commissioner may redistribute current year teacher retirement and FICA obligations among districts that have agreements for sharing staff or for cooperative education of pupils to adjust for changes in staffing patterns

between the base year and the current year resulting from the agreements.

Sec. 3. Minnesota Statutes 1986, 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 \$1,585 for the 1984 payable 1985 levies and for foundation aid for the 1985-1986 school year.~~ The formula allowance shall be \$1,690 for the 1985 payable 1986 levies and for foundation aid for the 1986-1987 school year. The formula allowance is \$1,700 for the 1986 payable 1987 levies and for foundation aid for the 1987-1988 school year.

Sec. 4. Minnesota Statutes 1986, section 124A.02, subdivision 16, is amended to read:

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

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

Sec. 5. Minnesota Statutes 1986, section 124A.21, is amended to read:

124A.21 [ISOLATED SCHOOL AID FOR ST. LOUIS COUNTY DISTRICT.]

~~In the 1985-1986 and 1986-1987 1987-1988 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 each of these the school years year.~~

Sec. 6. [124A.22] [GENERAL EDUCATION REVENUE.]

Subdivision 1. [GENERAL EDUCATION REVENUE.] *The general education revenue for each district equals the sum of the district's basic revenue, compensatory education revenue, training and experience revenue, and sparsity revenue.*

Subd. 2. [BASIC REVENUE.] *The basic revenue for each district equals the formula allowance times the actual pupil units for the school year. The formula allowance is \$2,724 for the 1988-1989 school year.*

Subd. 3. [COMPENSATORY EDUCATION REVENUE.] *The compensatory education revenue for each district equals the formula allowance times the AFDC pupil units counted according to section 1 for the school year.*

Subd. 4. [TRAINING AND EXPERIENCE REVENUE.] *The training and experience revenue for each district equals the greater of zero or the result of the following computation:*

(a) *Subtract 1.6 from the training and experience index.*

(b) *Multiply the result in clause (a) by the product of \$700 times the actual pupil units for the school year.*

Subd. 5. [DEFINITIONS.] The definitions in this subdivision apply only to subdivision 6.

(a) "High school" means a secondary school that has pupils enrolled in at least the 10th, 11th, and 12th grades. If there is no secondary school in the district that has pupils enrolled in at least the 10th, 11th, and 12th grades, the commissioner shall designate one school in the district as a high school for the purposes of this section.

(b) "Secondary average daily membership" means, for a district that has only one high school, the average daily membership of resident pupils in grades seven through 12. For a district that has more than one high school, "secondary average daily membership" for each high school means the product of the average daily membership of resident pupils in grades seven through 12 in the high school, times the ratio of six to the number of grades in the high school.

(c) "Attendance area" means the total surface area of the district, in square miles, divided by the number of high schools in the district.

(d) "Isolation index" for a high school means the square root of one-half the attendance area plus the distance in miles, according to the usually-traveled routes, between the high school and the nearest high school.

(e) "Qualifying high school" means a high school that has an isolation index greater than 23 and that has secondary average daily membership of less than 400.

Subd. 6. [SPARSITY REVENUE.] A district's sparsity revenue for a school year equals the sum of the results of the following calculation for each qualifying high school in the district:

(1) the formula allowance for the school year, multiplied by

(2) the secondary average daily membership of the high school, multiplied by

(3) the quotient obtained by dividing 400 minus the secondary average daily membership by 400 plus the secondary daily membership, multiplied by

(4) the lesser of one or the quotient obtained by dividing the isolation index minus 23 by ten.

Sec. 7. [124A.23] [GENERAL EDUCATION LEVY AND AID.]

Subdivision 1. [GENERAL EDUCATION MILL RATE.] The commissioner of revenue shall establish and certify the general education mill rate to the commissioner of education by August 1 of each year for levies payable in the following year. The general education mill rate shall be a rate, rounded up to the nearest tenth of a mill, which, when used to calculate the levy in subdivision 2 for all districts, raises the amount specified in this subdivision. The general education mill rate for the 1989 fiscal year shall be sufficient to raise \$1,067,000,000. The general education mill rate certified by the commissioner of revenue may not be changed due to changes or corrections made to a district's adjusted assessed valuation after the mill rate has been certified.

Subd. 2. [GENERAL EDUCATION LEVY.] To obtain general education revenue, a district may levy an amount not to exceed the general education mill rate times the adjusted assessed valuation of the district for the pre-

ceding year. If the amount of the general education levy would exceed the general education revenue, the amount of the general education levy must be limited to the amount of the general education revenue minus any payments made according to section 124A.035, subdivision 4. The adjusted assessed valuation must be determined each year by the equalization aid review committee according to section 124.2131.

Subd. 3. [GENERAL EDUCATION AID.] A district's general education aid is the difference between the general education revenue and the general education levy, multiplied times the ratio of the actual amount levied to the permitted levy.

Subd. 4. [USES OF REVENUE.] General education revenue may be used during the regular school year and the summer for general and special school purposes.

Sec. 8. [124A.24] [RESERVED REVENUE FOR CERTAIN PROGRAMS.]

Subdivision 1. [REQUIREMENT.] Two and one-fourth percent of the basic revenue under section 6, subdivision 2, shall be reserved and may be used only to provide one or more of the programs enumerated in this section. The school board shall determine which programs to provide, the manner in which they will be provided, and the extent to which other money may be used for the programs. The remaining basic revenue under section 6, subdivision 2, may be used to provide one or more of the programs enumerated in this section.

Subd. 2. [STATE ASSISTANCE.] The state board of education and the commissioner of education shall provide assistance to school boards offering the programs enumerated in this section. The state board or commissioner may establish an advisory committee for any program area. Technical assistance shall be provided commensurate with school board and district needs. State board of education rules apply to all programs or portions of programs offered.

Subd. 3. [SEPARATE RECORDS.] A district offering any program enumerated in this section shall maintain records of the expenditures for each program offered.

Subd. 4. [ARTS EDUCATION AND COMPREHENSIVE ARTS PLANNING PROGRAMS.] A school board may use the reserved revenue to provide a variety of arts education programs for its pupils and staff. The programs may involve comprehensive arts planning, staff development, curriculum offerings, and arts activities for all forms of creative and artistic endeavors.

Subd. 5. [CHEMICAL ABUSE PREVENTION.] A school board may use the reserved revenue to offer a program to prevent chemical abuse among pupils in public and nonpublic schools and area vocational technical institutes.

Subd. 6. [GIFTED AND TALENTED.] A school board may use the reserved revenue to offer programs for gifted and talented pupils.

Subd. 7. [INTERDISTRICT COOPERATION TO EXPAND CURRICULUM.] A school board may use the reserved revenue to expand curricular offerings in secondary mathematics, secondary science, foreign languages, and computer usage by entering into cooperation agreements with other school boards. The agreements shall emphasize instruction and minimize administrative costs.

Subd. 8. [MASTERY LEARNING IN READING.] A school board may use the reserved revenue to offer a mastery learning program with individualized learning plans for reading for pupils in kindergarten to grade three.

Subd. 9. [PLANNING, EVALUATING, REPORTING, AND ASSESSING.] A school board may use the reserved revenue to fulfill its obligations under article 8, section 14, and section 126.67 to plan, evaluate, report, and assess.

Subd. 10. [PROGRAMS OF EXCELLENCE.] A school board may use the reserved revenue for a secondary academic program designated by the commissioner of education as a program of excellence. The commissioner shall establish criteria for the programs of excellence and may approve applications of not more than 100 nonresident pupils to attend the programs full-time. The district of attendance may count a pupil attending a program as a resident pupil for the purpose of determining aids and levies.

Subd. 11. [REGIONAL MANAGEMENT AND EDUCATIONAL SERVICES FOR DISTRICTS.] A school board may use the reserved revenue to obtain the services of an educational cooperative service unit or other regional provider of management, computer, and educational services for pupils and staff.

Subd. 12. [SECONDARY VOCATIONAL EDUCATION.] A school board may use the reserved revenue to offer secondary vocational education programs. The rules of the state board of education shall enable a pupil to enroll in courses in these programs for less than an entire school year. The rules must not require a school board to offer more than four credits or 560 hours of these course offerings in any school year. The rules must not incorporate provisions of the state plan for vocational education by reference.

Subd. 13. [TOBACCO USE PREVENTION.] A school board may use the reserved revenue to offer a program to prevent tobacco use among pupils in public and nonpublic schools and area vocational technical institutes. The program must prohibit tobacco use by minors on school premises.

Sec. 9. [124A.25] [REDUCTION TO GENERAL EDUCATION REVENUE.]

Subdivision 1. [REVENUE REDUCTION.] A district's general education revenue for a school year shall be reduced if the net unappropriated operating fund balance as of June 30 in the second prior school year exceeds \$600 times the actual pupil units in the second prior year. The amount of the reduction shall equal the lesser of:

- (1) the amount of the excess, or*
- (2) \$150 times the actual pupil units for the school year.*

Subd. 2. [LEVY REDUCTION.] If a district's general education revenue is reduced, the general education levy shall be reduced by the following amount:

- (1) the reduction specified in subdivision 1, times*
- (2) the ratio of the district's general education levy to its general education revenue.*

Subd. 3. [AID REDUCTION.] A district's general education aid shall be reduced by an amount equal to the difference between the revenue reduction and the levy reduction.

Sec. 10. [124A.26] [COMPENSATORY EDUCATION REVENUE.]

Subdivision 1. [USE OF THE REVENUE.] The compensatory education revenue under section 6, subdivision 3, may be used only to meet the special educational needs of pupils whose educational achievement is below the level that is appropriate for pupils of their age. These needs may be met by providing these pupils at least some of the following:

(1) remedial instruction in reading, language arts, and mathematics to improve the achievement level of the pupils;

(2) additional teachers and teacher aides to provide more individualized instruction to these pupils;

(3) summer programs that enable these pupils to improve their achievement or that reemphasizes material taught during the regular school year;

(4) in-service education for teachers, teacher aides, principals, and other personnel to recognize these pupils and provide appropriate responses to their needs;

(5) for instruction of these pupils, textbooks, workbooks, periodicals, pamphlets, photographs, reproductions, filmstrips, prepared slides, pre-recorded video programs, sound recordings, desk charts, games, study prints and pictures, desk maps, models, learning kits, blocks and cubes, flashcards, instructional computer software programs, pencils, pens, crayons, notebooks, duplicating fluids, and papers;

(6) programs to reduce truancy, encourage completion of high school, enhance self-concept, provide health services, provide nutrition services, provide a safe and secure learning environment, provide coordination for pupils receiving services from other governmental agencies, provide psychological services to determine the level of social, emotional, cognitive, and intellectual development, and provide counseling services, guidance services, and social work services; and

(7) bilingual programs, bicultural programs, and programs for pupils of limited English proficiency.

Subd. 2. [SEPARATE ACCOUNTS.] Each district receiving compensatory education revenue shall maintain separate accounts to identify expenditures for salaries and programs related to this revenue.

Sec. 11. [124A.27] [SUPPLEMENTAL REVENUE.]

Subdivision 1. [GENERAL REVENUE ALLOWANCE.] "General revenue allowance" for a school year means the result of the following computation:

(1) a district's general education revenue for the same year, minus any revenue reduction according to section 9, divided by

(2) the district's actual pupil units for the same year.

Subd. 2. [CATEGORICAL ALLOWANCE.] "Categorical allowance" for a district means the sum of its direct categorical aid, direct categorical levies, and indirect categorical revenue, divided by its 1987-1988 actual pupil units.

Subd. 3. [DIRECT CATEGORICAL AID.] "Direct categorical aid" means the total aid earned by a district for the 1987-1988 school year for the following categories:

(1) chemical dependency aid, according to Minnesota Statutes 1986, section 124.246;

(2) gifted and talented education aid, according to Minnesota Statutes 1986, section 124.247;

(3) tobacco use prevention aid, according to Minnesota Statutes 1986, section 124.252;

(4) interdistrict cooperation aid, according to Minnesota Statutes 1986, section 124.272;

(5) aid for planning, evaluation, and reporting process, according to Minnesota Statutes, section 124.274;

(6) arts education aid, according to Minnesota Statutes 1986, section 124.275;

(7) secondary vocational education aid, according to Minnesota Statutes 1986, section 124.573;

(8) summer program aid, according to Minnesota Statutes 1986, section 124A.033;

(9) programs of excellence grants, according to Minnesota Statutes 1986, section 126.60;

(10) venture fund grants, according to Minnesota Statutes 1986, section 129B.04; and

(11) comprehensive arts in education planning grants, according to Minnesota Statutes 1986, section 129B.20.

Subd. 4. [DIRECT CATEGORICAL LEVIES.] "Direct categorical levies" means the sum of the tax levies certified by a district in 1986 for the following purposes:

(1) financial audits, according to Minnesota Statutes 1986, section 6.62;

(2) summer programs, according to Minnesota Statutes 1986, section 124A.03;

(3) unemployment insurance costs, according to Minnesota Statutes 1986, section 268.06, subdivision 25;

(4) civil service retirement, according to Minnesota Statutes 1986, section 275.125, subdivision 6a;

(5) interdistrict cooperation, according to Minnesota Statutes 1986, section 275.125, subdivision 8a; and

(6) liability insurance costs, according to Minnesota Statutes 1986, section 466.06.

Subd. 5. [INDIRECT CATEGORICAL REVENUE.] "Indirect categorical revenue" means the total amount allocated to the district by intermediate districts and other employing units of which the district is a member, for the following categories of revenue for the 1987-1988 school year:

(1) contracts for regional services for educational effectiveness, according to Minnesota Statutes 1986, section 121.609, subdivision 4;

(2) regional reporting subsidy grants, according to Minnesota Statutes 1986, section 121.935, subdivision 5;

(3) teacher retirement and FICA aid, according to Minnesota Statutes 1986, section 124.2163;

(4) secondary vocational education aid, according to Minnesota Statutes 1986, section 124.573;

(5) levies for secondary vocational education certified in 1986 by intermediate or joint school boards, according to Minnesota Statutes 1986, sections 136D.27, 136D.74, and 136D.87; and

(6) payments by the state for general administration of educational cooperative service units.

For the purposes of this subdivision, intermediate school districts and other employing units, as defined in Minnesota Statutes 1986, section 124.2161, shall allocate the amounts of all revenues described in this subdivision among their member districts.

Subd. 6. [MINIMUM ALLOWANCE.] "Minimum allowance" for a district means the categorical allowance plus \$15 plus the result of the following computation:

(1) the sum of the basic foundation revenue, cost differential tier revenue, second tier revenue, third tier revenue, fourth tier revenue, fifth tier revenue, declining pupil unit revenue, and teacher retirement and FICA aid the district would have received for the 1988-1989 school year if the provisions of Minnesota Statutes 1986, sections 124.2161 and 124.2162 and chapter 124A, had been effective for the 1988-1989 school year, divided by

(2) the district's actual pupil units for the 1988-1989 school year.

The minimum allowance shall be calculated assuming a formula allowance of \$1,700 for the 1988-1989 school year.

Subd. 7. [REVENUE AMOUNT.] If a district's minimum allowance exceeds its general revenue allowance for a school year, the district shall receive supplemental revenue equal to the amount of the excess times the actual pupil units for the school year.

Subd. 8. [SUPPLEMENTAL LEVY.] To obtain supplemental revenue, a district may levy an amount not to exceed the product of its supplemental revenue for the school year times the ratio of its general education levy to its general education revenue for the same year.

Subd. 9. [SUPPLEMENTAL AID.] A district's supplemental aid is the difference between its supplemental revenue and its supplemental levy, times the ratio of the actual amount levied to the permitted levy.

Subd. 10. [USES OF REVENUE.] Supplemental revenue may be used during the regular school year and the summer for general and special school purposes.

Sec. 12. Minnesota Statutes 1986, section 129B.43, subdivision 1, is amended to read:

Subdivision 1. [AUTHORIZATION.] A school district or group of districts that wishes to receive a grant for may establish an improved learning programs may apply to the council on quality education for approval pro-

gram. Programs may be approved for one portion of a school population, one or several attendance areas, or one or a group of districts.

Sec. 13. Minnesota Statutes 1986, section 129B.43, subdivision 4, is amended to read:

Subd. 4. [RULES AND RIGHTS.] ~~On recommendation of the council of quality education,~~ The state board of education may waive school district compliance with its rules which would prevent implementation of an improved learning program. Participation in an improved learning program as a principal-teacher, counselor-teacher, or career teacher shall not affect seniority in the district or rights under the applicable collective bargaining agreement.

Sec. 14. Minnesota Statutes 1986, section 136D.27, is amended to read:

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

~~Each year 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 that 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.~~ 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. 15. Minnesota Statutes 1986, section 136D.74, subdivision 2, is amended to read:

Subd. 2. [TAX LEVY.] ~~Each year 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 that shall not in any year exceed .6 mills on each dollar of adjusted assessed valuation for expenses for special education and .5 mills on each dollar of adjusted assessed valuation for expenses for secondary vocational education.~~ Said annual tax levies shall be certified pursuant to section 275.07. 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, subdi-

vision 3a, 124A.14, subdivision 5a, and 275.125.

Sec. 16. Minnesota Statutes 1986, section 136D.87, is amended to read:
136D.87 [TAX LEVIES, CERTIFICATES OF INDEBTEDNESS.]

Each year 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 that shall not in any year exceed .6 mills on each dollar of adjusted assessed valuation for expenses for special education and .5 mills on each dollar of adjusted assessed valuation for expenses for secondary vocational education. Each participating school district shall include such tax levies in the next tax roll which it shall certify to the county auditor or auditors, and shall remit the collections of such levies to the board promptly when received. Such levies shall not be included in computing the limitations upon the levy of any district under 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. 17. Minnesota Statutes 1986, section 275.125, subdivision 4, is amended to read:

Subd. 4. [MISCELLANEOUS LEVY AUTHORIZATIONS.] A school district may levy the amounts necessary to make payments for bonds issued and for interest thereon, including the bonds and interest thereon, issued as authorized by *Minnesota Statutes 1974*, section 275.125, subdivision 3, clause (7) (C); ~~as it read in Minnesota Statutes 1974; the amounts necessary for repayment of debt service loans and capital loans; the amounts necessary to pay the district's obligations under section 6.62; the amount authorized for liabilities of dissolved districts pursuant to section 122.45; the amounts necessary to pay the district's obligations under section 268.06, subdivision 25; the amounts necessary to pay for job placement services offered to employees who may become eligible for benefits pursuant to section 268.08; the amounts necessary to pay the district's obligations under section 127.05; the amounts authorized by section 122.531; and the amounts necessary to pay the district's obligations under section 122.533; and the amounts necessary to pay the district's insurance premium costs under section 466.06.~~

Sec. 18. [APPROPRIATION.]

Subdivision 1. [TO DEPARTMENT OF EDUCATION.] There is appropriated from the general fund, or another named 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:

\$860,319,700 _____ 1988,

\$126,482,100 _____ 1989.

The appropriation for aid for fiscal year 1988 includes \$121,712,400

for aid for fiscal year 1987 payable in fiscal year 1988 and \$738,607,300 for aid for fiscal year 1988 payable in fiscal year 1989.

The appropriation for aid for fiscal year 1989 is for aid for fiscal year 1988 payable in fiscal year 1989.

Subd. 3. [GENERAL AND SUPPLEMENTAL EDUCATION AID.] For general and supplemental education aid there is appropriated:

\$989,747,000 ____ 1989.

The appropriation is for aid for fiscal year 1989 payable in fiscal year 1989. \$659,500 is from the public health fund and \$989,087,500 is from the general fund.

Subd. 4. [TEACHER RETIREMENT AND FICA AID.] For teacher retirement and FICA aid there is appropriated:

\$235,255,000 ____ 1988,

\$ 35,520,000 ____ 1989.

The appropriation for aid for fiscal year 1988 includes \$33,975,000 for aid for fiscal year 1987 payable in fiscal year 1988 and \$201,280,000 for aid for fiscal year 1988 payable in fiscal year 1988.

The appropriation for aid for fiscal year 1989 is for aid for fiscal year 1988 payable in fiscal year 1989.

The appropriations are based on aid entitlements of \$236,800,000 for fiscal year 1988.

Subd. 5. [SUMMER PROGRAMS.] For summer program aid according to Minnesota Statutes, section 124A.033, subdivision 3, there is appropriated:

\$8,177,800 ____ 1988.

The appropriation for fiscal year 1988 is for aid for programs in summer 1987.

Subd. 6. [CANCELLATION.] Except as provided in Minnesota Statutes, section 124.14, subdivision 7; none of the amounts appropriated in subdivision 3 shall be expended for a purpose other than the purpose indicated.

Sec. 19. [REPEALER.]

Subdivision 1. [JUNE 30, 1987.] Minnesota Statutes 1986, sections 124.185; 124.65; 124.66; 124A.02, subdivisions 2, 7, and 14; 124A.03, subdivisions 1, 1a, 3, 4, and 6; 124A.06, subdivision 3a; 124A.08, subdivision 3a; 124A.10, subdivision 3a; 124A.12, subdivision 3a; 124A.14, subdivision 5a; 124A.20, subdivision 2; 129B.01; 129B.02; 129B.04; 129B.05; and 275.125, subdivisions 3, 6a, and 8a, are repealed June 30, 1987.

Subd. 2. [MAY 30, 1988.] Minnesota Statutes 1986, section 124A.033, is repealed May 30, 1988.

Subd. 3. [JUNE 30, 1988.] Minnesota Statutes 1986, sections 121.935, subdivision 5; 123.3514, subdivision 9; 124.17, subdivisions 1a and 2d; 124.2161; 124.2162; 124.2163; 124.246; 124.247; 124.252; 124.272; 124.274; 124.275; 124.573; 124A.01; 124A.02, subdivisions 5, 6, 9, 10, 11, 12, and 13; 124A.035, subdivision 1; 124A.04; 124A.06, subdivisions 1, 1a, 1b, 2, and 4; 124A.08, subdivisions 1, 2, 4, and 5; 124A.10, subdivisions 1, 2, and 4; 124A.12, subdivisions 1, 2, and 4; 124A.14, subdivisions 1, 2, 3, 4, 5, and 6; 124A.16; 124A.20, subdivisions 1 and

3; 124A.21; 126.031, subdivision 2; 126.264, subdivision 3; 126.267; 126.268, subdivision 2; 126.60; 126.62; 126.64; 126.65; 126.70; 126.71; 126.72; 126.80; 126.81; 129B.17; 129B.20; 129B.21; 129B.35; 129B.43, subdivisions 2, 3, and 6; 129B.61; 129B.62; 129B.63; 129B.64; 129B.65; 129B.66; and 129B.67 are repealed June 30, 1988.

Subd. 4. [EFFECT OF REPEALER.] According to Minnesota Statutes, section 645.35, the repeal of the sections listed in this section does not affect the right of a school district to receive nor the obligation of the commissioner of education to pay aids payable in fiscal year 1989, that are attributable to the 1987-1988 school year under or by virtue of the sections repealed.

Sec. 20. [EFFECTIVE DATE.]

Sections 1, 6, 7, 8, 9, 10, and 11 are effective for revenue for the 1988-1989 school year and thereafter.

ARTICLE 2

PUPIL TRANSPORTATION

Section 1. Minnesota Statutes 1986, 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) an amount equal to one year's depreciation on the district's type three school buses, as defined in section 169.44, subdivision 15, which were purchased after July 1, 1982 for authorized transportation of pupils, with the prior approval of the commissioner, computed on a straight line basis at the rate of 20 percent per year of the cost of the type three school buses.

(c) "Adjusted authorized predicted cost per FTE" means the authorized cost predicted by a multiple regression formula determined by the department of education, and adjusted pursuant to subdivision 7a.

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

(e) "Transportation category" means a category of transportation service provided to pupils. ~~For the 1984-1985 and 1985-1986 school years, each category includes transportation provided during the regular school year and in conjunction with a summer program eligible for aid and levy under~~

sections 124A.03 and 124A.033. For purposes of this section, transportation categories for the 1984-1985 and 1985-1986 school years are as follows:

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

(2) 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).

(1) For the purposes of this section, transportation categories for the 1986-1987 and 1987-1988 school year and thereafter years are as follows:

(1) (i) 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); and

(2) (ii) 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).

(2) For purposes of this section, for the 1988-1989 school year and thereafter, regular transportation is transportation services provided during the regular school year under section 124.223, clauses (1) and (2), excluding the following transportation services provided under section 124.223, clause (1):

(i) transportation between schools;

(ii) noon transportation to and from school for kindergarten pupils attending half-day sessions;

(iii) late transportation home from school for pupils involved in after school activities; and

(iv) transportation of pupils to and from schools located outside their normal attendance areas under the provisions of a plan for desegregation mandated by the state board of education or under court order.

Nonregular transportation is transportation services provided under section 124.223, clause (1), that are excluded from the regular category, 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) "Current year" means the school year for which aid will be paid.

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

(k) "Base cost" for the 1984-1985 and 1985-1986 base years means the authorized regular transportation cost per FTE in the base year in the regular transportation category, excluding summer school transportation. Base cost in the 1986-1987 base year and after means the ratio of:

(1) the sum of

(i) the authorized cost in the base year for regular transportation as defined in clause (b), plus

(ii) the actual cost in the base year for transportation to and from school of secondary pupils who live more than one mile but less than two miles from the public school that they could attend or from the nonpublic school actually attended, plus

(iii) the actual cost in the base year for transportation costs that are necessary because of extraordinary traffic hazards,

(2) to the sum of

(i) the number of FTE pupils transported in the regular category in the base year, plus

(ii) the number of secondary pupils transported to and from school in the base year who live more than one mile but less than two miles from the public school that they could attend or from the nonpublic school actually attended, plus

(iii) the number of pupils residing less than one mile from school who were transported to and from school in the base year because of extraordinary traffic hazards.

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

Sec. 2. Minnesota Statutes 1986, 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 each school year the 1985-1986 base year, 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.

To predict the logarithm of the base cost for each district according to subdivision 3 for the 1986-1987 base year and thereafter, the multiple regression formula shall use the following terms for each district:

(1) the logarithm of the lesser of:

(a) 200; or

(b) the quotient obtained by dividing the sum of:

(i) the number of FTE pupils transported in the regular category in the base year, plus

(ii) the number of secondary pupils transported to and from school in the base year who live more than one mile but less than two miles from the public school which they could attend or from the nonpublic school actually attended, plus

(iii) the number of pupils residing less than one mile from school who were transported to and from school in the base year because of extraordinary traffic hazards,

(c) by the area of the district in square miles;

(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. 3. Minnesota Statutes 1986, 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 ~~10.3~~ 6.0 percent to determine the district's aid entitlement per FTE for the ~~1984-1985~~ 1986-1987 school year, by ~~8.9~~ 5.4 percent to determine the district's aid entitlement per FTE for the ~~1985-1986~~ 1987-1988 school year, and by ~~6.0~~ 5.1 percent to determine the district's aid entitlement per FTE for the ~~1986-1987~~ 1988-1989 school year.

Sec. 4. Minnesota Statutes 1986, section 124.225, subdivision 8a, is amended to read:

Subd. 8a. [AID.] For the ~~1984-1985 and 1985-1986~~ school years 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 aid 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.

(a) For the ~~1986-1987 and 1987-1988~~ school year and each year thereafter years, 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 aid reduction pursuant to subdivision 8k, minus the amount raised by 2.25 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 2.25 mills. Transportation aid shall be computed as if the district had levied the amount raised by 2.25 mills.

(b) For the 1988-1989 school year and thereafter, a district's transportation aid is equal to the sum of its basic transportation aid under subdivision 8b, its nonregular transportation aid under subdivision 8i, and its nonregular transportation levy equalization aid under subdivision 8j, minus its contracted services aid reduction under subdivision 8k, minus its basic transportation levy limitation for the levy attributable to that school year under section 275.125, subdivision 5.

(c) 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. 5. Minnesota Statutes 1986, section 124.225, subdivision 8i, is amended to read:

Subd. 8i. [NONREGULAR TRANSPORTATION AID.] ~~For the 1984-1985 school year and each year thereafter,~~ (a) A district's nonregular transportation aid shall be determined pursuant to this subdivision.

(b) For the 1986-1987 and 1987-1988 school years, nonregular transportation aid shall equal (a) (1) 20 percent of the first \$10 of actual cost in the current year for nonregular transportation services per total pupil unit, plus 40 percent of the next \$10 of actual cost in the current year for nonregular transportation services per total pupil unit, plus 60 percent of the actual cost in the current year for nonregular transportation services per total pupil unit which exceeds \$20, times (b) (2) the number of total pupil units in the district in the current year.

(c) For the 1988-1989 school year and thereafter, nonregular transportation aid equals (1) 60 percent of the actual cost in the current year for nonregular transportation services per total pupil unit which exceeds \$30, times (2) the number of total pupil units in the district in the current year.

Sec. 6. Minnesota Statutes 1986, 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 fiscal years 1985 and 1986 an amount equal to 1.75 mills times the adjusted assessed valuation of the district for the preceding year, and for fiscal year 1987 and thereafter, 2.25 mills times the adjusted assessed valuation of the district for the preceding year, plus the district's basic transportation levy limitation under section 275.125, subdivision 5;

(3) the district's contract services aid reduction under subdivision 8k, plus

(4) the district's nonregular transportation levy limitation under section 275.125, subdivision 5c.

Sec. 7. Minnesota Statutes 1986, section 275.125, subdivision 5, is amended to read:

Subd. 5. [BASIC TRANSPORTATION LEVY.] For school transportation services, a school district may levy an amount not to exceed the amount raised by a levy of 2.25 mills times the adjusted assessed valuation of the taxable property of the district for the preceding year. Each year, a school district may levy for school transportation services an amount not to exceed the basic transportation mill rate times the adjusted assessed valuation of the district for the preceding year. The commissioner of revenue shall establish and certify the basic transportation mill rate to the commissioner of education by August 1 of each year for levies payable in the following year. The basic transportation mill rate shall be a rate, rounded up to the nearest hundredth of a mill, that, when used to calculate the levy for all districts, raises the amount specified in this subdivision. The basic transportation mill rate for the 1988-1989 school year shall be sufficient to raise \$71,437,600. The basic transportation mill rate certified by the commissioner of revenue may not be changed due to changes or corrections made to a district's adjusted assessed valuation after the mill rate has been certified.

Sec. 8. [1987 DESEGREGATION LEVY.]

In addition to the levy authorized in Minnesota Statutes, section 275.125, subdivision 6e, in 1987 any district that is implementing a plan for desegregation mandated by the state board of education may levy for transportation for desegregation an amount not to exceed 1.5 mills times the adjusted assessed valuation of the district. Notwithstanding Minnesota Statutes, section 121.904, the proceeds of this levy may be recognized as revenue for the fiscal year in which the levy is certified. This levy shall not be considered in computing aid adjustments according to Minnesota Statutes, section 124.155.

Sec. 9. [APPROPRIATIONS.]

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

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

\$91,005,800 ____1988,

\$87,876,700 ____1989.

The appropriation for aid for fiscal year 1988 includes \$12,194,300 for aid for fiscal year 1987 payable in fiscal year 1988 and \$78,811,500 for

fiscal year 1988 payable in fiscal year 1988.

The appropriation for aid for fiscal year 1989 includes \$13,907,800 for aid for fiscal year 1988 payable in fiscal year 1989 and \$73,968,900 for fiscal year 1989 payable in fiscal year 1989.

The appropriations are based on aid entitlements of \$92,719,300 for fiscal year 1988 and \$87,022,200 for fiscal year 1989.

Subd. 3. [TRANSPORTATION AID FOR POST-SECONDARY ENROLLMENT OPTIONS.] For transportation of pupils who attend post-secondary institutions according to Minnesota Statutes, section 123.3514, there is appropriated:

\$75,000 _____1988,

\$75,000 _____1989.

The commissioner shall allocate this appropriation among school districts based upon guidelines adopted by the state board of education under Minnesota Statutes, section 123.3514, subdivision 8.

Subd. 4. [PRORATION.] Except as provided in Minnesota Statutes, 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 Minnesota Statutes, 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. 10. [REPEALER.]

Minnesota Statutes 1986, section 124.225, subdivision 1a, is repealed.

ARTICLE 3

SPECIAL EDUCATION PROGRAMS

Section 1. Minnesota Statutes 1986, section 120.03, subdivision 1, is amended to read:

Subdivision 1. Every child who has a hearing impairment, visual handicap, speech or language impairment, physical handicap, other health impairment, mental handicap, emotional/behavioral disorder, specific learning disability, or deaf/blind handicap and needs special instruction and services, as determined by the standards of the state board, is a handicapped child. In addition, every child under age five who needs special instruction and services, as determined by the standards of the state board, because the child has a substantial delay or has an identifiable physical or mental condition known to hinder normal development is a handicapped child.

Sec. 2. Minnesota Statutes 1986, section 120.17, subdivision 1, is amended to read:

Subdivision 1. [SPECIAL INSTRUCTION FOR HANDICAPPED CHILDREN.] 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 three to Special instruction and services must be provided from birth until September 1 after the handicapped child becomes 21 years for children who are handicapped as

defined in section 120.03 and *old but* shall not extend beyond secondary school or its equivalent. For purposes of this subdivision, the age of a handicapped child shall be the age as of September 1 of the calendar year in which the school year for which 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 from under age three to five who are known to need or 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 range of programs for education and services for handicapped children. This subdivision does not alter the compulsory attendance requirements of section 120.10.

Sec. 3. Minnesota Statutes 1986, section 120.17, is amended by adding a subdivision to read:

Subd. 1b. [HIGH SCHOOL DIPLOMA.] Upon completion of secondary school or the equivalent, a handicapped pupil who satisfactorily attains the objectives in the pupil's individual education plan shall be granted a high school diploma that is identical to the diploma granted to a nonhandicapped pupil.

Sec. 4. Minnesota Statutes 1986, section 120.17, subdivision 2, is amended to read:

Subd. 2. [METHOD OF SPECIAL INSTRUCTION.] Special instruction and services for handicapped children must be based on the assessment and individual education plan. The instruction and services may be provided by one or more of the following methods:

(a) in connection with attending regular elementary and secondary school classes;

(b) establishment of special classes;

(c) at the home or bedside of the child;

(d) in other districts;

(e) instruction and services in by special education cooperative centers established under this section, or in another member district of the cooperative center to which the resident district of the handicapped child belongs;

(f) in a state university laboratory school or a University of Minnesota laboratory school;

(g) in a state residential school or a school department of a state institution approved by the commissioner;

(h) (g) in other states;

(i) (h) by contracting with public, private or voluntary agencies;

(j) (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) for children under age five and their families, programs in which handicapped children are served with nonhandicapped children; and

(k) any other method approved by the commissioner.

Preference shall be given to providing special instruction and services to children under age three and their families in the residence of the child with the parent or primary caregiver or both present.

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 and services is used. *The district of residence must inform the parents of the child about the methods of instruction that are available.*

Sec. 5. Minnesota Statutes 1986, 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, methods of instruction, pupil eligibility, size of classes, rooms, equipment, supervision, parent consultation, and any other rules it deems necessary for instruction of handicapped children. These rules shall provide standards and procedures appropriate for the implementation of and within the limitations of subdivisions 3a and 3b. These rules shall also provide standards for the discipline, control, management and protection of handicapped children. The state board shall not adopt rules for pupils served in level 1, 2, or 3, as defined in Minnesota Rules, part 3525.2340, establishing either case loads or the maximum number of pupils that may be assigned to special education teachers. 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 from under age three to five and their families.~~ *Until June 30, 1988, a developmental achievement center contracting with under contract to a school district to provide special instruction and services is eligible for variance from rules relating to personnel licensure. Until June 30, 1988, 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 1986, section 120.17, subdivision 3a, is amended to read:

Subd. 3a. [SCHOOL DISTRICT OBLIGATIONS.] Every district shall ensure that: *the provisions in this subdivision apply to all handicapped children.*

(a) All handicapped children ~~are shall be~~ provided the special instruction and services ~~which that~~ are appropriate to their needs. *An individual education plan shall address the child's need to develop skills to live and work as independently as possible within the community. By grade nine or age 14, the plan shall address the child's needs for transition from secondary services to post-secondary education, employment, and community living.*

(b) Handicapped children ~~from under age three to~~ five and their families ~~are shall be~~ provided special instruction and services appropriate to the child's level of functioning and needs;

(c) Handicapped children and their parents or guardians ~~are shall be~~ guaranteed procedural safeguards and the right to participate in decisions involving identification, assessment and educational placement of handicapped children;

(d) To the maximum extent appropriate, handicapped children, including those in public or private institutions or other care facilities, ~~are shall be~~ 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 may occur~~ 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;

(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 shall be~~ selected and administered so as not to be racially or culturally discriminatory; ~~and~~.

(f) The rights of the child ~~are shall be~~ 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 1986, section 120.17, subdivision 3b, is amended to read:

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

(a) Parents and guardians shall receive prior written notice of:

(1) any proposed formal educational assessment or proposed denial of a formal educational assessment of their child;

(2) a proposed placement of their child in, transfer from or to, or denial of placement in a special education program; or

(3) the proposed provision, addition, denial or removal of special education services for their child;

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

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

(d) Parents, guardians and the district shall have an opportunity to obtain an impartial due process hearing initiated and conducted in the school district where the child resides, if ~~after at least one conciliation conference~~ the parent or guardian continues to object to:

- (1) a proposed formal educational assessment or proposed denial of a formal educational assessment of their child;
- (2) the proposed placement of their child in, or transfer of their child to a special education program;
- (3) the proposed denial of placement of their child in a special education program or the transfer of their child from a special education program;
- (4) the proposed provision or addition of special education services for their child; or
- (5) the proposed denial or removal of special education services for their child.

At least five calendar days before the hearing, the objecting party shall provide the other party with a brief written statement of the objection and the reasons for the objection.

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

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

The local decision shall:

- (1) be in writing;
 - (2) state the controlling facts upon which the decision is made in sufficient detail to apprise the parties and the hearing review officer of the basis and reason for the decision;
 - (3) state whether the special education program or special education services appropriate to the child's needs can be reasonably provided within the resources available to the responsible district or districts;
 - (4) state the amount and source of any additional district expenditure necessary to implement the decision; and
 - (5) be based on the standards set forth in subdivision 3a and the rules of the state board.
- (f) Any local decision issued pursuant to clauses (d) and (e) may be

appealed to the hearing review officer within 15 calendar days of receipt of that written decision, by the parent, guardian, or the school board of the district where the child resides.

If the decision is appealed, a written transcript of the hearing shall be made by the school district and shall be accessible to the parties involved within five calendar days of the filing of the appeal. The hearing review officer shall issue a final decision based on an impartial review of the local decision and the entire record within 30 calendar days after the filing of the appeal. The hearing review officer shall seek additional evidence if necessary and may afford the parties an opportunity for written or oral argument; provided any hearing held to seek additional evidence shall be an impartial due process hearing but shall be deemed not to be a contested case hearing for purposes of chapter 14. The hearing review officer may grant specific extensions of time beyond the 30-day period at the request of any party.

The final decision shall:

- (1) be in writing;
- (2) include findings and conclusions; and
- (3) be based upon the standards set forth in subdivision 3a and in the rules of the state board.

(g) The decision of the hearing review officer shall be final unless appealed by the parent or guardian or school board to the court of appeals. The judicial review shall be in accordance with chapter 14.

(h) The commissioner of education, having delegated general supervision of special education to the appropriate staff, shall be the hearing review officer except for appeals in which:

- (1) the commissioner has a personal interest in or specific involvement with the student who is a party to the hearing;
- (2) the commissioner has been employed as an administrator by the district that is a party to the hearing;
- (3) the commissioner has been involved in the selection of the administrators of the district that is a party to the hearing;
- (4) the commissioner has a personal, economic, or professional interest in the outcome of the hearing other than the proper administration of the federal and state laws, rules, and policies;
- (5) the appeal challenges a state or local policy which was developed with substantial involvement of the commissioner; or
- (6) the appeal challenges the actions of a department employee or official.

For any appeal to which the above exceptions apply, the state board of education shall name an impartial and competent hearing review officer.

In all appeals, the parent or guardian of the handicapped student or the district that is a party to the hearing may challenge the impartiality or competence of the proposed hearing review officer by applying to the state board of education.

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

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

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

Sec. 8. Minnesota Statutes 1986, section 120.17, subdivision 5, is amended to read:

Subd. 5. [SCHOOL OF PARENTS' CHOICE.] Nothing in this chapter shall be construed as preventing parents of a handicapped ~~educable~~ child from sending such child to a school of their choice, if they so elect, subject to admission standards and policies ~~to be adopted pursuant according to the provisions of sections 128A.01 to 128A.07 chapter 128A,~~ and all other provisions of chapters 120 to 129.

Sec. 9. Minnesota Statutes 1986, section 120.17, subdivision 7a, is amended to read:

Subd. 7a. [ATTENDANCE AT SCHOOL FOR THE HANDICAPPED.] Responsibility for special instruction and services for a visually disabled or hearing impaired child attending the Minnesota ~~School state academy for the deaf or the Minnesota Braille and Sight-Saving School state academy for the blind~~ shall be determined in the following manner:

(a) The legal residence of the child shall be the school district in which the child's parent or guardian resides.

(b) When it is determined pursuant to section 128A.05, subdivisions 1 or 2 that the child is entitled to attend either school, the state board shall provide the appropriate educational program for the child. The state board shall make a tuition charge to the child's district of residence for the actual cost of providing the program; provided, however, that effective for the 1983-1984 school year and thereafter, the amount of tuition charged shall not exceed the sum of \$1,000 plus the foundation aid formula allowance of the district for that child, for an entire school year, or a prorated amount based on the portion of the school year for which the child is a resident of the district or is actually in membership in the program. For purposes of this subdivision, "foundation aid formula allowance" shall have the meaning attributed to it in section 124.32, subdivision 1a. The district of the child's residence shall pay the tuition and may claim foundation aid for the child. The district of the child's residence shall not receive aid pursuant to section 124.32, subdivision 5, for tuition paid pursuant to this subdivision. All tuition received by the state board shall be deposited in the state treasury.

(c) When it is determined that the child can benefit from public school enrollment but that the child should also remain in attendance at the applicable school, the school district where the institution is located shall provide an appropriate educational program for the child and shall make a tuition charge to the state board for the actual cost of providing the program, less any amount of aid received pursuant to section 124.32. The state board shall pay the tuition and other program costs including the unreimbursed transportation costs. Aids for handicapped children shall be paid to the district providing the special instruction and services. Special transportation shall be provided by the district providing the educational program and the state shall reimburse such district within the limits provided by law.

(d) Notwithstanding the provisions of clauses (b) and (c), the state board may agree to make a tuition charge for less than the amount specified in clause (b) for pupils attending the applicable school who are residents of the district where the institution is located and who do not board at the institution, if that district agrees to make a tuition charge to the state board for less than the amount specified in clause (c) for providing appropriate educational programs to pupils attending the applicable school.

(e) Notwithstanding the provisions of clauses (b) and (c), the state board may agree to supply staff from the Minnesota ~~School state academy~~ for the deaf and the Minnesota ~~Braille and Sight-Saving School state academy~~ for the blind to participate in the programs provided by the district where the institutions are located when the programs are provided to students in attendance at the state schools.

Sec. 10. Minnesota Statutes 1986, section 120.17, is amended by adding a subdivision to read:

Subd. 11a. [STATE INTERAGENCY COORDINATING COUNCIL.] An interagency coordinating council of 15 members is established. The members and the chair shall be appointed by the governor. The council shall be composed of at least three parents of handicapped children under age seven, a representative of each of the commissioners of education, health, and human services, three representatives of public or private providers of services for handicapped children under age five, one member of the senate, one member of the house of representatives, one representative of teacher preparation programs in early childhood-special education, at least one representative of advocacy organizations for handicapped children, and other members knowledgeable about handicapped children under age five. Section 15.059 applies to the council, except that the council is permanent and does not expire. The council shall meet at least quarterly.

The council shall address methods of developing, implementing, and financing comprehensive, coordinated, multidisciplinary, interagency programs of early intervention services for handicapped children and their families. The duties of the council include recommending both fiscal and program policies to ensure a comprehensive and coordinated system of all state and local agency services for handicapped children under age five and their families. The policies must address ways to incorporate each agency's services into a unified state and local system of multidisciplinary assessment practices, individual intervention plans, comprehensive systems to find children in need of services, methods to improve public awareness, and assistance in determining the role of interagency early intervention committees.

Each year by January 15 the council shall submit its recommendations to the education committees of the legislature, the governor, and the commissioners of education, health, and human services.

Sec. 11. Minnesota Statutes 1986, section 120.17, subdivision 12, is amended to read:

Subd. 12. [INTERAGENCY EARLY LEARNING INTERVENTION COMMITTEE.] A district, group of districts, or special education cooperative, in cooperation with the county or counties in which the district or cooperative is located, shall establish an interagency early learning intervention committee for handicapped children under age five and their families. Members of the committee shall be representatives of local and re-

gional health, education, and county human service agencies; ~~developmental achievement centers~~ *early childhood family education programs*; 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~~ *at least quarterly*. 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 and *individual service plans* when necessary to appropriately serve handicapped children under the age of five and their families and *recommend assignment of financial responsibilities to the appropriate agencies*;

(4) *implement a process for assuring that services involve cooperating agencies at all steps leading to individualized programs*;

(5) review and comment on the early learning section of the total special education system for the district and *the county social services plan*; 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~~

(6) *facilitate the development of a transitional plan if a service provider is not recommended to continue to provide services.*

The departments of education, health, and human services are encouraged to provide assistance to the local agencies in developing cooperative plans for providing services.

Sec. 12. Minnesota Statutes 1986, section 120.17, is amended by adding a subdivision to read:

Subd. 12a. [COMMUNITY INTERAGENCY COMMITTEE.] Districts located in a city of the first class shall establish or participate in an established community interagency committee for handicapped youth and their families. Members of the committee may consist of representatives from special education, vocational and regular education, community education, post-secondary education and training institutions, parents of handicapped youth, local business or industry, rehabilitation services, county social services, health agencies, and additional public or private adult service providers as appropriate. The committee shall elect a chair and shall meet regularly. The committee shall:

(1) identify current services, programs, and funding sources provided within the community for elementary, secondary, and post-secondary handicapped youth and their families;

(2) facilitate the development of multiagency teams to address present and future service needs of individual students on their individual education plans;

(3) develop a community plan to include mission, goals, and objectives, and an implementation plan to assure that service needs of handicapped individuals are met;

(4) *recommend changes or improvements in the community system of services;*

(5) *exchange agency information such as appropriate data, effectiveness studies, special projects, exemplary programs, and creative funding of programs; and*

(6) *prepare a yearly summary assessing the progress of services in the community for handicapped youth and their families and disseminate it to all youth and adult services agencies involved in the planning and to the commissioner of education by September 1 of each year.*

Sec. 13. Minnesota Statutes 1986, section 120.17, is amended by adding a subdivision to read:

Subd. 14. [MAINTENANCE OF EFFORT BY COUNTIES AND SCHOOL DISTRICTS.] A county human services agency or county board shall continue to provide services for handicapped children under age five and their families as set forth in their county social service agency plan or as specified in the individual service plan and individual habilitation plan of each child. Special instruction and services for which a handicapped child is eligible under this section are not the responsibility of a county human services agency or county board. School districts and counties are encouraged to enter into agreements to cooperatively serve and provide funding for handicapped children under age five and their families.

Sec. 14. Minnesota Statutes 1986, section 120.17, is amended by adding a subdivision to read:

Subd. 15. [THIRD PARTY PAYMENT.] Nothing in this section relieves an insurer or similar third party from an otherwise valid obligation to pay or changes the validity of an obligation to pay for services to a handicapped child.

Sec. 15. Minnesota Statutes 1986, section 123.39, subdivision 1, is amended to read:

Subdivision 1. The board may provide for the free transportation of pupils to and from school, and to schools in other districts for grades and departments not maintained in the district, including high school, at the expense of the district, when funds are available therefor and if agreeable to the district to which it is proposed to transport the pupils, for the whole or a part of the school year, as it may deem advisable, and subject to its rules. Every driver shall possess all the qualifications required by the rules of the state board of education. In any school district, the board shall arrange for the attendance of all pupils living two miles or more from the school through suitable provision for transportation or through the boarding and rooming of the pupils who may be more economically and conveniently provided for by that means. *The board shall provide transportation to and from the home of a handicapped child not yet enrolled in kindergarten when special instruction and services under section 120.17 are provided in a location other than in the child's home.* When transportation is provided, scheduling of routes, establishment of the location of bus stops, manner and method of transportation, control and discipline of school children and any other matter relating thereto shall be within the sole discretion, control and management of the school board. The district may provide for the transportation of pupils or expend a reasonable amount for room and board of pupils whose attendance at school can more econom-

ically and conveniently be provided for by that means or who attend school in a building rented or leased by a district within the confines of an adjacent district.

Sec. 16. Minnesota Statutes 1986, section 124.17, subdivision 1, is amended to read:

Subdivision 1. [PUPIL UNIT.] Pupil units for each resident pupil in average daily membership shall be counted as follows: according to this subdivision.

~~(1) (a) A handicapped prekindergarten pupil who is enrolled for the entire school year in a program approved by the commissioner, for each handicapped prekindergarten pupil, one-half pupil unit for and has an individual education plan requiring up to 437 hours of assessment and education services in the school year as provided in the pupil's individual education plan or, for is counted as one-half of a pupil unit. If the plan requires more than 437 hours of assessment and education services, a number of pupil units equal to the pupil is counted as the ratio of the number of hours of assessment and 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:~~

~~(b) A handicapped prekindergarten pupil who is enrolled for less than the entire school year in a program approved by the commissioner is counted as the greater of (1) one-half times the ratio of the number of instructional days from the date the pupil is enrolled to the date the pupil withdraws to the number of instructional days in the school year, or (2) the ratio of the number of hours of assessment and education service required in the school year by the pupil's individual education program plan to 875, but not more than one.~~

~~(c) A prekindergarten pupil who is assessed but determined not to be handicapped is counted as the ratio of the number of hours of assessment service to 875.~~

~~(a) for each (d) A handicapped kindergarten pupil, as defined in section 120.03, who is enrolled in a program approved by the commissioner, a number of pupil units equal to is counted as the ratio of the number of hours of assessment and 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 (e) A 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 pupil who is not included in paragraph (d) is counted as one-half of a pupil unit.~~

~~(e) for other elementary pupils, one pupil unit (f) A pupil who is in any of grades one to six is counted as one pupil unit.~~

~~(3) in secondary schools; (g) A pupil who is in any of grades seven to 12 is counted as 1-4/10 pupil units. Pupils enrolled in the seventh and eighth grades of any school shall be counted as secondary pupils.~~

Sec. 17. Minnesota Statutes 1986, 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, *each participating American Indian school, and each tribal contract school, as defined in section 19*, the number of pupils from families receiving aid to families with dependent children who were enrolled in a public school, *participating American Indian school, or tribal contract school* on October 1 of the preceding year.

Sec. 18. Minnesota Statutes 1986, section 124.223, is amended to read:

124.223 [TRANSPORTATION AID AUTHORIZATION.]

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

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

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

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

(4) [HANDICAPPED.] Transportation or board and lodging of a handicapped pupil when that pupil cannot be transported on a regular school bus, the conveying of handicapped pupils between home and school and within the school plant, necessary transportation of handicapped pupils from home or from school to other buildings, including 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 *any distance requirement for children not yet enrolled in kindergarten* or 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 INSTRUCTIONAL PROGRAMS.] Services described in clauses (1) to (7) and (9) and (10) when provided in conjunction with a summer 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. 19. [124.482] [AMERICAN INDIAN SCHOOLS.]

Subdivision 1. [DEFINITIONS.] (a) "Tribal contract school" or "school" means a school that is operated by a tribal government, is not an experimental school associated with a school district, and receives aid through a financial assistance contract with the Bureau of Indian Affairs.

(b) "Federal payment" means an amount paid to a school by the Bureau of Indian Affairs.

(c) "Participating American Indian school" or "participating school" means a school that meets all of the following:

(1) is nonsectarian and controlled by American Indians;

(2) is accredited by or making progress toward accreditation by the north central association commission on schools;

(3) has been in existence for at least three consecutive school years; and

(4) serves pupils who are members of or qualified for membership in one or more federally recognized Indian tribes.

Subd. 2. [FOUNDATION OR GENERAL EDUCATION AID.] Each year the state shall pay foundation aid or general education aid to a tribal contract school. The amount of aid equals:

(1) the foundation aid formula allowance or 90 percent of the general education formula allowance times the school's actual pupil units, calculated in the same manner as that used for school districts; minus

(2) the total federal payment to the school for basic programs for the same year.

Subd. 3. [COMPENSATORY EDUCATION REVENUE.] Each year the school district in which a participating American Indian school is located shall pay compensatory education revenue to that school. The district shall not place any restrictions or conditions on the payment. The payment equals the foundation aid or general education formula allowance times the school's AFDC pupil units, calculated in the same manner as that used for school districts.

Subd. 4. [GRANTS.] Tribal contract and participating American Indian schools are eligible to apply to the state board or commissioner of education, as applicable, for any grants that are available to school districts.

Sec. 20. Minnesota Statutes 1986, section 126.54, subdivision 1, is amended to read:

Subdivision 1. [GRANTS; PROCEDURES.] ~~For Each fiscal years 1983, 1984, and 1985~~ year the state board of education shall make grants to no fewer than six school year American Indian language and culture education programs. At least three programs shall be in urban areas and at least three shall be on or near reservations. The board of a local district, a participating school or a group of boards may develop a proposal for grants in support of American Indian language and culture education programs. Proposals may provide for contracts for the provision of program components by nonsectarian nonpublic, community, tribal or alternative schools. The state board shall prescribe the form and manner of application for grants, and no grant shall be made for a proposal not complying with the requirements of sections 126.45 to 126.55. The state board shall submit all proposals to the state advisory task force on American Indian language and culture education programs for its recommendations concerning approval, modification, or disapproval and the amounts of grants to approved programs.

Sec. 21. Minnesota Statutes 1986, section 128A.01, is amended to read:
128A.01 [LOCATION.]

The Minnesota state academy for the deaf and the Minnesota state academy for the blind shall be ~~continued~~ located at Faribault as residential schools and as a resource center for school districts, and shall be grouped and classed with the educational institutions of the state.

Sec. 22. Minnesota Statutes 1986, section 128A.02, subdivision 2, is amended to read:

Subd. 2. The state board shall promulgate rules regarding the operation of both academies and the individuals in attendance, and shall perform all duties necessary to provide the most beneficial and least restrictive program of education for each child handicapped by visual disability or hearing impairment. *The academies shall provide various levels of service, as defined in the rules of the state board of education, for the pupils. Developmental needs of the pupils shall be addressed by the academies. The academies shall provide opportunities for the pupils to be educated with nonhandicapped pupils, according to assessments and individual education plans.*

Sec. 23. Minnesota Statutes 1986, section 128A.02, subdivision 4, is amended to read:

Subd. 4. The state board may enter into contracts with other public and private agencies and institutions to provide residential and building maintenance services if it determines that these services could thus be provided

in a more efficient and less expensive manner. The state board may also enter into contracts with public and private agencies and institutions, school districts or combinations thereof, and educational cooperative service units, and counties to provide respite care and supplementary educational instruction and services, including assessments and counseling.

Sec. 24. [128A.021] [RESOURCE CENTER FOR THE HEARING IMPAIRED AND VISUALLY IMPAIRED.]

A resource center for hearing impaired and visually impaired pupils is established at the Minnesota state academy for the deaf and the Minnesota state academy for the blind. The resource center shall offer such programs as summer institutes for hearing impaired and visually impaired pupils in various regions of the state, workshops for teachers, and leadership development for teachers. Programs offered through the resource center shall promote and develop education programs offered by school districts and other organizations and shall provide assistance to school districts and other organizations in developing innovative programs. The resource center may contract with appropriate nonprofit organizations to provide programs through the resource center. The advisory council for the academies shall serve as the advisory council for the resource center.

Sec. 25. [128A.09] [SERVICE, SEMINAR, AND CONFERENCE FEES.]

Subdivision 1. [DEPOSIT; CREDIT.] Fees collected by the academies for services, seminars, and conferences must be deposited in the state treasury and credited to the revolving fund of the academies.

Subd. 2. [ADMINISTRATOR'S VOUCHERS.] Payment may be made from the revolving fund only according to vouchers authorized by the administrator of the academies. Money in the revolving fund is annually appropriated to the academies to defray expenses of the services, seminars, and conferences.

Sec. 26. [COMMISSION SPECIAL EDUCATION STUDY.]

The sum of \$100,000 is appropriated for fiscal year 1988 from the general fund to the legislative commission on public education for the commission to conduct a comprehensive qualitative and quantitative evaluation and analytical study of special education instruction and related service. The sum is available until June 30, 1989.

Sec. 27. [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. [NETT LAKE LIABILITY INSURANCE.] For a grant to independent school district No. 707, Nett Lake, to pay insurance premiums under Minnesota Statutes, section 466.06, there is appropriated:

\$40,000 _____1988.

The sum is available until June 30, 1989.

Subd. 3. [AMERICAN INDIAN TRIBAL CONTRACT SCHOOLS.] For aid to American Indian tribal contract schools there is appropriated:

\$ 21,300 _____1988,

\$394,700 ____1989.

The appropriation for aid in fiscal year 1988 includes \$21,300 for aid for fiscal year 1988 payable in fiscal year 1988.

The appropriation for aid in fiscal year 1989 includes \$3,700 for aid for fiscal year 1988 payable in fiscal year 1989 and \$391,000 for aid for fiscal year 1989 payable in fiscal year 1989.

The appropriations are based on aid entitlements of \$25,000 for fiscal year 1988 and \$460,000 for fiscal year 1989.

Subd. 4. [COOK COUNTY INDIAN EDUCATION GRANT.] For grants to independent school district No. 166, Cook county, for Indian education at the Grand Portage elementary school there is appropriated:

\$50,000 ____1988,

\$50,000 ____1989.

The district must comply with the conditions in subdivision 6.

Subd. 5. [AMERICAN INDIAN EDUCATION.] For certain American Indian education programs in school districts there is appropriated:

\$174,755 ____1988,

\$174,755 ____1989.

The appropriation for aid for fiscal year 1988 includes \$26,213 for aid for fiscal year 1987 payable in fiscal year 1988 and \$148,542 for aid for fiscal year 1988 payable in fiscal year 1988.

The appropriation for fiscal year 1989 includes \$26,213 for aid for fiscal year 1988 payable in fiscal year 1989 and \$148,542 for aid for fiscal year 1989 payable in fiscal year 1989.

The appropriations are based on aid entitlements of \$174,755 for fiscal year 1988 and \$174,755 for fiscal year 1989.

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 each fiscal year: \$54,848 to independent school district No. 309-Pine Point School; \$9,685 to independent school district No. 166; \$14,949 to independent school district No. 432; \$14,053 to independent school district No. 435; \$42,163 to independent school district No. 707; and \$39,057 to independent school district No. 38. These amounts shall be expended only for the benefit of American 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 Code of Federal Regulations, title 25, section 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:

(1) complied with the uniform financial accounting and reporting standards act, Minnesota Statutes, sections 121.90 to 121.917. For each school year, compliance with Minnesota Statutes, 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 1989-1990 school year prepared according to Minnesota Statutes, section 121.908, subdivision 3a, shall be submitted to the commissioner of education at the same time as 1988-1989 budgets and shall not include any moneys appropriated in this subdivision;

(2) 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

(3) 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 (1), (2), and (3), 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. 6. [AMERICAN INDIAN LANGUAGE AND CULTURE PROGRAM AID.] For grants to American Indian language and culture education programs according to Minnesota Statutes, section 126.54, subdivision 1, there is appropriated:

\$588,400 ____1988,

\$588,300 ____1989.

The appropriation for aid for fiscal year 1988 includes \$88,300 for aid for fiscal year 1987 payable in fiscal year 1988 and \$500,100 for aid for fiscal year 1988 payable in fiscal year 1988.

The appropriation for aid for fiscal year 1989 includes \$88,200 for aid for fiscal year 1988 payable in fiscal year 1989 and \$500,100 for aid for fiscal year 1989 payable in fiscal year 1989.

The appropriations are based on aid entitlements of \$588,300 for fiscal year 1988 and \$588,300 for fiscal year 1989.

Subd. 7. [AMERICAN INDIAN POST-SECONDARY PREPARATION GRANTS.] For Indian post-secondary preparation grants, according to Minnesota Statutes, section 124.481, there is appropriated:

\$781,400 ____1988,

\$781,400 ____1989.

Subd. 8. [AMERICAN INDIAN SCHOLARSHIPS.] For American Indian scholarships, according to Minnesota Statutes, section 124.48, there is appropriated:

\$1,581,800 ____1988,

\$1,581,800 ____1989.

Any unexpended balance remaining in the first year does not cancel but is available for fiscal year 1989.

Subd. 9. [HEARING IMPAIRED SUPPORT SERVICES AID.] *For payment of support services for hearing impaired persons according to Minnesota Statutes, section 121.201, there is appropriated:*

\$60,000 ____1988,

\$60,000 ____1989.

The appropriations are based on aid entitlements of \$60,000 for fiscal year 1988 and \$60,000 for fiscal year 1989.

Subd. 10. [LIMITED ENGLISH PROFICIENCY PUPILS PROGRAM AID.] *For aid to educational programs for pupils of limited English proficiency according to Minnesota Statutes, section 124.273, there is appropriated:*

\$3,011,100 ____1988,

\$3,126,300 ____1989.

The appropriation for aid for fiscal year 1988 includes \$430,800 for aid for fiscal year 1987 payable in fiscal year 1988 and \$2,580,300 for aid for fiscal year 1988 payable in fiscal year 1988.

The appropriation for aid for fiscal year 1989 includes \$455,300 for aid for fiscal year 1988 payable in fiscal year 1989 and \$2,671,000 for aid for fiscal year 1989 payable in fiscal year 1989.

The appropriations are based on aid entitlements of \$3,035,600 for fiscal year 1988 and \$3,142,300 for fiscal year 1989.

Subd. 11. [RESIDENTIAL FACILITIES AID.] *For aid according to Minnesota Statutes, section 124.32, subdivision 5, there is appropriated:*

\$1,573,000 ____1988,

\$1,564,000 ____1989.

Subd. 12. [SECONDARY VOCATIONAL HANDICAPPED.] *For aid for secondary vocational education for handicapped pupils according to Minnesota Statutes, section 124.574, there is appropriated:*

\$4,526,400 ____1988,

\$4,744,400 ____1989.

The appropriation for aid for fiscal year 1988 includes \$543,600 for aid for fiscal year 1987 payable in fiscal year 1988 and \$3,982,800 for aid for fiscal year 1988 payable in fiscal year 1988.

The appropriation for aid for fiscal year 1989 includes \$702,800 for aid for fiscal year 1988 payable in fiscal year 1989 and \$4,041,600 for aid for 1989 payable in fiscal year 1989.

The appropriations are based on aid entitlements of \$4,685,600 for fiscal year 1988 and \$4,754,800 for fiscal year 1989.

Subd. 13. [SPECIAL EDUCATION AID.] *For special education aid there is appropriated:*

\$150,402,900 ____1988,

\$155,698,300 ____1989.

The appropriation for aid for fiscal year 1988 includes \$21,811,800 for aid for fiscal year 1987 payable in fiscal year 1988 and \$128,591,100 for aid for fiscal year 1988 payable in fiscal year 1988.

The appropriation for aid for fiscal year 1989 includes \$23,072,500 for aid for fiscal year 1988 payable in fiscal year 1989 and \$132,625,800 for aid for fiscal year 1989 payable in fiscal year 1989.

The appropriations are based on aid entitlements of \$151,663,600 for fiscal year 1988 and \$156,410,300 for fiscal year 1989.

Subd. 14. [SUMMER SCHOOL SPECIAL EDUCATION AID.] For special education aid for summer school programs there is appropriated:

\$5,582,100 ____1988,

\$5,650,100 ____1989.

The appropriation for 1988 is for 1987 summer school programs.

The appropriation for 1989 is for 1988 summer school programs.

Subd. 15. [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:

\$246,300 ____1988,

\$359,200 ____1989.

The appropriation for aid for fiscal year 1988 includes \$35,100 for aid for fiscal year 1987 payable in fiscal year 1988 and \$211,200 for aid for fiscal year 1988 payable in fiscal year 1988.

The appropriation for aid for fiscal year 1989 includes \$37,200 for aid for fiscal year 1988 payable in fiscal year 1989 and \$322,000 for aid for fiscal year 1989 payable in fiscal year 1989.

The appropriations are based on aid entitlements of \$248,400 for fiscal year 1988 and \$378,800 for fiscal year 1989.

Subd. 16. [PRORATION.] Except as provided in Minnesota Statutes, 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 Minnesota Statutes, 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. 28. [APPROPRIATIONS.]

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

Subd. 2. [PINE POINT UNEMPLOYMENT COMPENSATION.] For payment of the obligation of independent school district No. 309, Pine Point, for unemployment compensation there is appropriated:

\$32,000 ____1988.

The sum is available until June 30, 1989.

Subd. 3. [NETT LAKE UNEMPLOYMENT COMPENSATION.] For payment of the obligation of independent school district No. 707, Nett Lake, for unemployment compensation there is appropriated:

\$20,000 _____1988.

The sum is available until June 30, 1989.

Sec. 29. [REPEALER.]

Minnesota Statutes 1986, sections 120.17, subdivision 13, and 124.273, subdivision 2b, are repealed.

Sec. 30. [EFFECTIVE DATE.]

Sections 1, 2, and 4 are effective July 1, 1988.

ARTICLE 4

COMMUNITY AND ADULT EDUCATION

Section 1. Minnesota Statutes 1986, section 121.88, subdivision 7, is amended to read:

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 1986, section 123.703, subdivision 3, is amended to read:

Subd. 3. [REPORT.] The state board of education, in cooperation with the state commissioner of health, shall report to the legislature by February 1 of each odd-numbered year on the results of the screening programs in accomplishing the purposes specified in section 123.701. The report shall include information on the rates of children's participation in screening programs, on districts' costs for implementing the various components of the screening program, and on any exemptions granted from screening requirements because of financial infeasibility.

Sec. 3. Minnesota Statutes 1986, section 123.705, is amended to read:

123.705 [HEALTH SCREENING AID.]

Subdivision 1. [AID AMOUNTS.] The ~~department of education~~ state shall pay each school district for the cost of screening services provided pursuant according to sections 123.701 to 123.705. ~~The payment shall not~~

exceed \$15.60 per child screened in fiscal year 1985; \$16.15 per child screened in fiscal year 1986 and an amount equal to \$8.15 per child screened in fiscal year 1987.

Sec. 4. Minnesota Statutes 1986, section 124.26, is amended by adding a subdivision to read:

Subd. 1b. [PROGRAM REQUIREMENTS.] An adult basic and continuing education program is a day or evening program offered by a district that is for people over 16 years of age who do not attend an elementary or secondary school. The program offers academic instruction necessary to earn a high school diploma or equivalency certificate. Tuition and fees may not be charged for instruction subsidized under this section, except for a security deposit to assure return of materials, supplies, and equipment.

Sec. 5. Minnesota Statutes 1986, section 124.26, is amended by adding a subdivision to read:

Subd. 1c. [ADULT BASIC AND CONTINUING EDUCATION AID.] The state shall pay aid for adult basic and continuing education programs equal to 75 percent of the salary for each teacher, counselor, coordinator of volunteers, and non-licensed instructional staff. In addition, the state shall pay aid equal to 75 percent of the expenditures for benefits, contracted services, supplies, and materials. Expenditures for which the district receives federal aid shall not qualify for state aid.

Sec. 6. Minnesota Statutes 1986, section 124.271, subdivision 2b, is amended to read:

Subd. 2b. [AID; 1986, 1987, 1988 AND AFTER.] (1) Each fiscal year a district which is operating that operates a community education program in compliance with rules promulgated by the state board shall receive community education aid.

For fiscal year 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

\$7,000, or

\$5.25 times the population of the district.

For fiscal year 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

\$7,140, or

\$5.35 times the population of the district. For fiscal year 1988 and each 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

\$7,340, or

\$5.50 times the population of the district.

For fiscal year 1989 and each 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

\$7,670, or

\$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 (4) paragraph (a)~~, 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 (4) paragraph (a)~~, to its maximum permissible levy under section 275.125, subdivision 8, ~~clause (4) paragraph (a)~~. For purposes of computing the aid reduction pursuant to this clause, the amount certified pursuant to section 275.125, subdivision 8, ~~clause (4) paragraph (a)~~, shall not reflect reductions made pursuant to section 275.125, subdivision 9.

Sec. 7. Minnesota Statutes 1986, section 124.271, subdivision 7, is amended 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~~ \$30,000 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) paragraph (d)~~, or combinations of sources.

Sec. 8. Minnesota Statutes 1986, section 124.2711, subdivision 1, is amended to read:

Subdivision 1. [DEFINITION OF MAXIMUM REVENUE.] ~~For fiscal year 1986 the "maximum revenue" for early childhood 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 five percent of the foundation aid formula allowance for the prior school year, times the greater of (a) 150, or (b) the number of people under five years of age residing in the district on September 1 of the preceding school year.~~

Sec. 9. Minnesota Statutes 1986, section 275.125, subdivision 8, is

amended to read:

Subd. 8. [COMMUNITY EDUCATION LEVY.] ~~(1)~~ (a) Each year, 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

~~\$5.50~~ \$5.75 times the population of the district, or

~~\$7,340~~ \$7,670.

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

~~(a)~~ (1) 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) paragraph (a)~~ of this subdivision, from

~~(b)~~ (2) the sum in fiscal year 1983 of

(i) the district's maximum permissible revenue from community education aid under Minnesota Statutes 1984, section 124.271, subdivision 2, excluding any reductions from community education aid made pursuant to Laws 1981, Third Special Session chapter 2, article 2, section 2, clause (mm), and Laws 1982, Third Special Session chapter 1, article 3, section 6, and

(ii) the maximum community education levy authorized in this subdivision for the district for the levy made in 1981, payable in 1982, before any reduction in the levy pursuant to subdivision 9.

~~(3)~~ (c) A district having an approved adult basic and continuing education program, according to section 124.26, may levy an amount not to exceed the amount raised by .1 mill times the adjusted assessed valuation of the district for the preceding year.

~~(4)~~ (d) 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 actual expenditures for approved programs~~ for the fiscal year beginning in the calendar year after the levy is certified or ~~\$25,000~~ \$30,000 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.~~

~~(5)~~ (e) 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 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.

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

Sec. 10. [1987 LEVY FOR HANDICAPPED ADULT PROGRAMS.]

Notwithstanding Minnesota Statutes 1986, section 275.125, subdivision 8, clause (4), in 1987 a school district may levy the amount by which the levy for handicapped adult programs for fiscal years 1986, 1987, and 1988 was reduced because of proration of program budgets according to Minnesota Statutes 1986, section 121.88.

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 BASIC AND CONTINUING EDUCATION AID.] For adult basic and continuing education aid according to Minnesota Statutes, section 124.26, there is appropriated:

\$3,181,400 ... 1988,

\$4,126,500 ... 1989.

The amount appropriated for aid for fiscal year 1988 includes \$278,000 for aid for fiscal year 1987 payable in fiscal year 1988 and \$2,903,400 for aid for fiscal year 1988 payable in fiscal year 1988.

The amount appropriated for aid for fiscal year 1989 includes \$512,300 for aid for fiscal year 1988 payable in fiscal year 1989 and \$3,614,200 for aid for fiscal year 1989 payable in fiscal year 1989.

The appropriations are based on aid entitlements of \$3,415,700 for fiscal year 1988 and \$4,252,000 for fiscal year 1989.

Subd. 3. [ADULT HANDICAPPED PROGRAM AID.] For aid for handicapped adult programs according to Minnesota Statutes, section 124.271, there is appropriated:

\$450,000 ... 1988,

\$550,000 ... 1989.

Any unexpended balance remaining from the appropriations in this subdivision for 1988 does not cancel and is available for the second year of the biennium.

Subd. 4. [COMMUNITY EDUCATION AID.] For community education aid according to Minnesota Statutes, section 124.271, there is appropriated:

\$2,153,100 ... 1988,

\$2,678,300 ... 1989.

The amount appropriated for aid for fiscal year 1988 includes \$260,100 for aid for fiscal year 1987 payable in fiscal year 1988 and \$1,893,000 for aid for fiscal year 1988 payable in fiscal year 1988.

The amount appropriated for aid for fiscal year 1989 includes \$334,000 for aid for fiscal year 1988 payable in fiscal year 1989 and \$2,344,300 for aid for fiscal year 1989 payable in fiscal year 1989.

The appropriations are based on aid entitlements of \$2,227,000 for fiscal year 1988 and \$2,758,000 for fiscal year 1989.

Subd. 5. [EARLY CHILDHOOD FAMILY EDUCATION AID.] *For early childhood family education aid according to Minnesota Statutes, section 124.2711, there is appropriated:*

\$7,279,000 ... 1988,

\$8,236,700 ... 1989.

The appropriation for aid for fiscal year 1988 includes \$870,000 for aid for fiscal year 1987 payable in fiscal year 1988 and \$6,409,000 for aid for fiscal year 1988 payable in fiscal year 1988.

The appropriation for aid for fiscal year 1989 includes \$1,130,900 for aid for fiscal year 1988 payable in fiscal year 1989 and \$7,105,800 for aid for fiscal year 1989 payable in fiscal year 1989.

The appropriations are based on aid entitlements of \$7,539,900 for fiscal year 1988 and \$8,359,800 for fiscal year 1989.

Subd. 6. [HEALTH AND DEVELOPMENTAL SCREENING.] *For health and developmental screening aid according to Minnesota Statutes, section 123.705, there is appropriated:*

\$436,400 ... 1988,

\$429,400 ... 1989.

The appropriation for aid for fiscal year 1988 includes \$65,800 for aid for fiscal year 1987 payable in fiscal year 1988 and \$370,600 for aid for fiscal year 1988 payable in fiscal year 1988.

The appropriation for aid for fiscal year 1989 includes \$65,400 for aid for fiscal year 1988 payable in fiscal year 1989 and \$364,000 for aid for fiscal year 1989 payable in fiscal year 1989.

The appropriations are based on aid entitlements of \$436,000 for fiscal year 1988 and \$428,200 for fiscal year 1989.

Subd. 7. [PRORATION.] *Except as provided in Minnesota Statutes, 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 Minnesota Statutes, 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. [REPEALER.]

Minnesota Statutes 1986, section 124.26, subdivisions 1 and 6, are repealed.

ARTICLE 5
STATE AGENCIES'
APPROPRIATIONS FOR EDUCATION

Section 1. TOTAL APPROPRIATIONS.

The sums shown in the columns marked "APPROPRIATIONS" are appropriated from the general fund, or any other fund named, to the agencies and for the purposes specified in this article, to be available for the fiscal year indicated for each purpose. The figures "1988" and "1989," where used in this article, mean that the appropriation or appropriations listed under them are available for the year ending June 30, 1988, or June 30, 1989, respectively.

SUMMARY BY FUND

	1988	1989	TOTAL
General	\$ 23,915,800	\$ 23,447,600	\$ 47,363,400
Trunk Highway	\$ 20,700	\$ 20,700	\$ 41,400
Public Health	\$ 60,000	\$ 60,000	\$ 120,000
TOTAL	\$ 23,996,500	\$ 23,528,300	\$ 47,524,800

SUMMARY BY AGENCY - ALL FUNDS

Department of Education	\$ 21,740,300	\$ 20,803,800	\$ 42,544,100
Department of Employee Relations	\$ 50,000		\$ 50,000
Arts School	\$ 2,206,200	\$ 2,724,500	\$ 4,930,700

APPROPRIATIONS
Available for the Year
Ending June 30
1988 1989

Sec. 2. DEPARTMENT OF EDUCATION

Subdivision 1. Total

Appropriation	\$21,740,300	\$20,803,800
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Approved Complement

State - 1988 = 412.0, and 1989 = 412.0

Other = 10.5 each year

Federal = 152.4 each year

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

The commissioner of education, with the approval of the commissioner of finance, may transfer unencumbered balances among the programs during the biennium. Transfers must be reported immediately to the senate and house of representatives education committees. During the biennium, the commissioner of education may transfer money among the various object of expenditure cate-

gories and activities within each program, unless restricted by executive order.

The commissioner of education, with the approval of the commissioner of finance, may transfer complement among funds if necessary. The commissioner must report material changes to the senate and house of representatives education committees.

The commissioner of education during the biennium may spend federal block grant money received under the Education Consolidation and Improvement Act of 1981, as amended, United States Code, title 20, chapter 51, as shown in the biennial budget. Changes may be made to accommodate adjustments in salary or other costs. The commissioner must report material changes to the senate and house of representatives education committees.

The commissioner of education shall develop an organizational management plan for the department of education for the purpose of implementing state education policies as established by the legislature. The plan must be contained within the existing department budget and complement. The plan must include (1) methods for effectively implementing legislative education policies; (2) methods of substantially increasing direct services to school district teachers, principals, superintendents, and school boards in meeting legislative requirements and the educational needs of students; and (3) methods of using regional organizations to increase direct services to districts.

The management analysis team of the department of administration shall evaluate the plan and report the findings and recommendations to the house of representatives and senate education committees by January 15, 1988.

The commissioner of education shall present the organizational management plan to the house of representatives and senate education committees for approval by January 15, 1988.

Subd. 2. Educational Services

1988

1989

\$ 9,977,600 \$ 9,109,300

\$20,700 the first year and \$20,700 the second year are from the trunk highway fund.

\$60,000 the first year and \$60,000 the second year are from the public health fund.

The commissioner of education shall provide for direct local technical assistance to districts in meeting the curriculum requirements specified in the planning, evaluating, and reporting process. In addition to existing curriculum services, the commissioner shall enter into performance contract agreements for general curriculum specialist services with educational cooperative service units or other regional educational service agencies. 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. The commissioner shall evaluate the performance agreements annually. This assistance shall be provided in conjunction with the educational effectiveness delivery system. \$400,000 in each year is for this purpose.

\$135,000 each year is for exemplary teacher education grants by the board of teaching according to Minnesota Statutes, section 126.81.

\$167,300 each year is for staff development programs for administrators, principals, and assistant principals, and to support the school management assessment center at the University of Minnesota.

\$211,400 each year is for educational effectiveness programs according to Minnesota Statutes, sections 121.608 and 121.609.

\$478,900 each year is for contracts for regional educational effectiveness services according to Minnesota Statutes, section 121.609, subdivision 4.

\$100,000 each year is for teacher center grants by the board of teaching.

An advisory task force is established to

assist the board of teaching during fiscal years 1988 and 1989 in various aspects of teacher centers. The advisory task force consists of 15 persons appointed as follows: (1) two elementary, two secondary, and one special area teacher appointed by the Minnesota federation of teachers; (2) two elementary, two secondary, and one special area teacher appointed by the Minnesota education association; (3) one member appointed by the Minnesota school boards association; (4) one member representing the faculty of post-secondary colleges of education appointed by the higher education coordinating board; (5) one member appointed by the board of teaching; (6) one member appointed by the commissioner of education; and (7) one member appointed by the state board of education.

The board of teaching, through the advisory task force, shall prescribe the form and manner of applications for grants for teacher centers. Each application must include the approval of the teachers' exclusive representatives and the school boards of all participating districts.

Upon approval of an application by the advisory task force, the board of teaching shall award a planning grant of not more than \$75,000 for a teacher center. The grant shall be used to develop a final plan of operation for a teacher center. The advisory task force shall recommend the amount of a planning grant based on the number of teachers to be served by the center.

Each grant recipient shall provide information to the board of teaching about how the proceeds of the grant were used. A report about the use of the money shall be submitted by the board of teaching to the state board of education and the education committees of the legislature by January 1, 1988.

\$18,000 each year is for the state curriculum advisory committee according to Minnesota Statutes, section 123.742.

\$270,000 each year is for the assessment item bank according to Minnesota Statutes, section 126.67.

\$45,000 each year is for assurance of

mastery.

\$95,000 each year is for model learner expectations.

One professional complement is added in each year in the curriculum services section for research and development of learner outcomes.

\$421,100 for fiscal year 1988 and \$293,100 for fiscal year 1989 is for technology curriculum and integration services according to Minnesota Statutes, sections 129B.32 to 129B.40.

\$355,000 for fiscal year 1988 is for courseware integration centers according to Minnesota Statutes, section 129B.375.

\$190,000 for fiscal year 1988 is for purchase of principles of technology courseware according to Minnesota Statutes, section 129B.39.

\$25,000 for fiscal year 1988 is for technology information dissemination.

\$150,000 for fiscal year 1988 is for purchase of courseware package duplication rights according to Minnesota Statutes, section 129B.39.

\$75,400 each year is for the academic excellence foundation.

\$77,000 each year is for the office on transition services.

\$31,500 each year is for assistance to districts in planning, implementing, and evaluating early childhood family education programs.

\$37,500 for fiscal year 1988 is for the comprehensive arts planning program according to Minnesota Statutes, section 129B.21.

The commissioner shall combine the council on youth and the secondary vocational student organization center into the council on youth and student organizations. \$198,300 each year is for the purposes of the new council.

Two professional and one clerical complement are transferred from the special education section to the Faribault residential academies and resource center for

the purpose of establishing a resource center for hearing-impaired and visually-impaired students. \$125,000 is available each year for this purpose.

Beginning in fiscal year 1989, responsibility for the education research information service established by the council on quality education is transferred to the interagency resource and information center.

Subd. 3. Administration and Financial Services

1988	1989
\$5,372,300	\$5,322,100

The commissioner of education shall maintain no more than six total complement in the categories of commissioner, deputy commissioner, assistant commissioner, assistant to the commissioner, or executive assistant.

The commissioner of education shall consolidate within the state management assistance section all computation, analysis, payment, and data functions for aids and levies for special education, community education, and secondary vocational education. Each year's appropriation includes \$83,500 transferred from educational services for this purpose. Two complement each year are transferred from educational services for this purpose.

The state management assistance complement is increased by three as follows: one risk management position, one school bus safety coordinator, and one cost analysis position for education aids and levies. \$150,000 each year is for the increase in complement and \$75,000 each year for management assistance for school districts.

\$60,000 for fiscal year 1988 is for development of program cost analysis capability in the education aids and levies section and a study of program costs under the direction of the legislative commission on public education. Any unexpended balance does not cancel and is available for the second year.

Subd. 4. Faribault Residential Academies and Resource Center

1988	1989
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\$6,390,400

\$6,372,400

Sec. 3. DEPARTMENT OF EMPLOYEE RELATIONS

Total Appropriations	\$ 50,000	\$
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This amount is to develop a plan to allow teachers and school boards the option of participating in the state health benefits program. The sum is available until June 30, 1989.

Sec. 4. SCHOOL AND RESOURCE CENTER FOR THE ARTS

Total Appropriations	\$2,206,200	\$2,724,500
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Approved Complement

State - 1988 = 15, and 1989 = 21

Sec. 5. Minnesota Statutes 1986, section 43A.08, subdivision 1, is amended to read:

Subdivision 1. [UNCLASSIFIED POSITIONS.] Unclassified positions are held by employees who are:

(a) Chosen by election or appointed to fill an elective office;

(b) Heads of agencies required by law to be appointed by the governor or other elective officers, and the executive or administrative heads of departments, bureaus, divisions and institutions specifically established by law in the unclassified service;

(c) Deputy and assistant agency heads, and one confidential secretary in the agencies listed in subdivision 1a;

(d) The confidential secretary to each of the elective officers of this state and, for the secretary of state, state auditor, and state treasurer, an additional deputy, clerk, or employee;

(e) Intermittent help employed by the commissioner of public safety to assist in the issuance of vehicle licenses;

(f) Employees in the offices of the governor and of the lieutenant governor, and one confidential employee for the governor in the office of the adjutant general;

(g) Employees of the legislature and of legislative committees or commissions; provided that employees of the legislative audit commission, except for the legislative auditor, the deputy legislative auditors, and their confidential secretaries, shall be employees in the classified service;

(h) Presidents, vice presidents, deans, other managers and professionals in academic and academic support programs, administrative or service faculty, teachers, research assistants and student employees eligible under terms of the federal economic opportunity act work study program in the *school and resource center for the arts*, state universities and community colleges. This paragraph shall not be construed to include the custodial, clerical or maintenance employees, or any professional or managerial employee performing duties in connection with the business administration of these institutions.

- (i) Officers and enlisted persons in the national guard;
- (j) Attorneys, legal assistants, examiners, and three confidential employees appointed by the attorney general or employed with the attorney general's authorization;
- (k) Judges and all employees of the judicial branch, referees, receivers, jurors, and notaries public, except referees and adjusters employed by the department of labor and industry;
- (l) Members of the state patrol; provided that selection and appointment of state patrol troopers shall be made in accordance with applicable laws governing the classified service;
- (m) Chaplains employed by the state;
- (n) Examination monitors and intermittent training instructors employed by the departments of employee relations and commerce;
- (o) Student workers; and
- (p) Employees unclassified pursuant to other statutory authority.

Sec. 6. Minnesota Statutes 1986, section 43A.08, subdivision 1a, is amended to read:

Subd. 1a. [ADDITIONAL UNCLASSIFIED POSITIONS.] Appointing authorities for the following agencies may designate additional unclassified positions according to this subdivision: the departments of administration; agriculture; commerce; corrections; jobs and training; education; employee relations; energy and economic development; finance; health; human rights; labor and industry; natural resources; office of administrative hearings; public safety; public service; public welfare; revenue; transportation; and veterans affairs; the housing finance, state planning, and pollution control agencies; the state board of investment; the offices of the secretary of state, state auditor, and state treasurer; ~~and the state board of vocational technical education; and the school and resource center for the arts.~~

A position designated by an appointing authority according to this subdivision must meet the following standards and criteria:

- (a) the designation of the position would not be contrary to other law relating specifically to that agency;
- (b) the person occupying the position would report directly to the agency head or deputy agency head and would be designated as part of the agency head's management team;
- (c) the duties of the position would involve significant discretion and substantial involvement in the development, interpretation, and implementation of agency policy;
- (d) the duties of the position would not require primarily personnel, accounting, or other technical expertise where continuity in the position would be important;
- (e) there would be a need for the person occupying the position to be accountable to, loyal to, and compatible with the governor and the agency head, or the employing constitutional officer;
- (f) the position would be at the level of division or bureau director or assistant to the agency head; and

(g) the commissioner has approved the designation as being consistent with the standards and criteria in this subdivision.

Sec. 7. Minnesota Statutes 1986, section 129C.10, subdivision 1, is amended to read:

Subdivision 1. [GOVERNANCE.] The board of the Minnesota school ~~of and resource center for the arts and resource center~~ shall consist 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.

Sec. 8. Minnesota Statutes 1986, section 129C.10, subdivision 3, is amended to read:

Subd. 3. [POWERS AND DUTIES OF BOARD.] (a) The board has the powers necessary for the care, management, and control of the Minnesota school ~~of and resource center for the arts and resource center~~ and all its real and personal property. The powers shall include, but are not limited to, ~~the following: those listed in this subdivision.~~

(1) ~~to~~ (b) *The board may employ and discharge necessary employees, and contract for other services to ensure the efficient operation of the school and resource center.*

(2) ~~to~~ (c) *The board may 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.*

(3) ~~to~~ (d) *The board may establish or coordinate evening, continuing education, extension, and summer programs through the resource center for teachers and pupils.*

(4) ~~to~~ (e) *The board may develop and pilot test an interdisciplinary education program. An academic curriculum must be offered with special programs in dance, literary arts, media arts, music, theater, and visual arts in both the popular and fine arts traditions.*

(5) ~~to~~ (f) *The board may determine the location for the Minnesota school of and resource center for the arts and resource center and any additional facilities related to the school, including the authority to lease a temporary facility.*

(6) ~~to~~ (g) *The board may plan for the enrollment of pupils to ensure statewide access and participation.*

(7) ~~to~~ (h) *The board may establish advisory committees as needed to advise the board on policies and issues; and.*

(8) ~~to~~ (i) *The board may request the commissioner of education for assistance and services.*

(j) *The board may enter into contracts with other public and private agencies and institutions to provide residential and building maintenance services if it determines that these services could be provided more efficiently and less expensively by a contractor than by the board itself. The board may also enter into contracts with public or private agencies and institutions, school districts or combinations of school districts, or educational cooperative service units to provide supplemental educational*

instruction and services.

(k) The board may provide or contract for services and programs by and for the arts high school, including a school store, operating in connection with the school; theatrical events; and other programs and services that, in the determination of the board, serve the purposes of the arts high school.

(l) The board may provide for transportation of pupils to and from the school and resource center for the arts for all or part of the school year, as the board considers advisable and subject to its rules. Notwithstanding any other law to the contrary, the board may charge a reasonable fee for transportation of pupils. Every driver providing transportation of pupils under this paragraph must possess all qualifications required by the state board of education. The board may contract for furnishing authorized transportation under rules established by the commissioner of education and may purchase and furnish gasoline to a contract carrier for use in the performance of a contract with the board for transportation of pupils to and from the school and resource center for the arts. When transportation is provided, scheduling of routes, establishment of the location of bus stops, the manner and method of transportation, the control and discipline of pupils, and any other related matter is within the sole discretion, control, and management of the board.

(m) The board may provide room and board for its pupils.

(n) The board may establish and set fees for services and programs without regard to chapter 14. If the board sets fees not authorized or prohibited by the Minnesota public school fee law, it may do so without complying with the requirements of section 120.75, subdivision 1.

Sec. 9. Minnesota Statutes 1986, section 129C.10, is amended by adding a subdivision to read:

Subd. 3a. [ARTS HIGH SCHOOL FUND APPROPRIATION.] There is established in the state treasury an arts high school fund. All money collected by the board shall be deposited in the fund. Money in the fund, including interest earned, is annually appropriated to the board for the operation of its services and programs.

Sec. 10. Minnesota Statutes 1986, section 129C.10, subdivision 4, is amended to read:

Subd. 4. [EMPLOYEES.] (a) (1) The board shall appoint a director of the school ~~of and resource center for the arts and resource center~~ who shall serve in the unclassified service.

(2) The board shall employ, upon recommendation of the director, a coordinator of the resource center who shall serve in the unclassified service.

(3) The board shall employ, upon recommendation of the director, up to six department chairs who shall serve in the unclassified service. The chairs shall be licensed teachers unless no licensure exists for the subject area or discipline for which the chair is hired.

(4) The board may employ other necessary employees, upon recommendation of the director.

(5) The board shall employ, upon recommendation of the director, an executive secretary for the director, who shall serve in the unclassified service.

(b) The employees hired under this subdivision and other necessary employees hired by the board shall be state employees in the executive branch.

Sec. 11. Minnesota Statutes 1986, section 129C.10, is amended by adding a subdivision to read:

Subd. 4a. [ADMISSION AND CURRICULUM REQUIREMENTS GENERALLY.] (a) The board may adopt rules for admission to and discharge from the school and rules regarding the operation of the school and resource center, including transportation of its pupils. Rules covering admission and discharge are governed by chapter 14. Rules regarding the operation of the school are not governed by chapter 14.

(b) Proceedings concerning admission to or discharge from the school, a pupil's program at the school, and a pupil's progress at the school are governed by the rules adopted by the board and are not contested cases governed by chapter 14.

(c) Notwithstanding section 120.10, subdivision 1, the board may require pupils to attend school more than 200 days during the school year.

Sec. 12. Minnesota Statutes 1986, section 129C.10, subdivision 5, is amended to read:

Subd. 5. [RESOURCE CENTER.] ~~Beginning in the 1985-1986 school year,~~ The resource center shall offer programs 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 to pupils in various regions of the state, in-service workshops for teachers, and leadership development programs for teachers. 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. 13. Minnesota Statutes 1986, section 129C.10, subdivision 6, is amended to read:

Subd. 6. [PUBLIC POST-SECONDARY INSTITUTIONS; PROVIDING SPACE.] Public post-secondary institutions shall provide space for programs offered by the Minnesota school ~~of and resource center~~ for the arts ~~and resource center~~ at no cost to the Minnesota school ~~of and resource center~~ for the arts ~~and resource center~~ to the extent that space is available at the public post-secondary institutions.

ARTICLE 6

OTHER DISTRICT AIDS AND LEVIES

Section 1. [124.244] [CAPITAL EXPENDITURE REVENUE.]

Subdivision 1. [REVENUE AMOUNT.] The capital expenditure revenue for each district equals \$153 times its actual pupil units counted according to section 124.17, subdivision 1, for the school year.

Subd. 2. [CAPITAL EXPENDITURE LEVY.] To obtain capital expenditure revenue, a district may levy an amount not to exceed five mills times the adjusted assessed valuation of the district for the preceding year.

Subd. 3. [CAPITAL EXPENDITURE AID.] A district's capital expenditure aid is the difference between the capital expenditure revenue and the capital expenditure levy. If a district does not levy the entire amount permitted, capital expenditure aid must be reduced in proportion to the actual amount levied.

Subd. 4. [USES OF REVENUE.] Capital expenditure revenue may be used only for the following purposes:

- (1) to acquire land for school purposes;*
- (2) to acquire or construct buildings for school purposes, if approved by the commissioner of education according to applicable rules;*
- (3) to rent or lease buildings for school purposes;*
- (4) to equip, reequip, improve, and repair school sites, buildings and permanent attached fixtures;*
- (5) to eliminate barriers or increase access to school buildings by handicapped individuals;*
- (6) to bring school buildings into compliance with the uniform fire code adopted according to chapter 299F;*
- (7) to remove asbestos from school buildings, encapsulate asbestos, or make asbestos-related repairs;*
- (8) to clean up and dispose of polychlorinated biphenyls found in school buildings;*
- (9) to clean up, remove, dispose of, and make repairs related to storing heating fuel or transportation fuels such as alcohol, gasoline, fuel oil, and special fuel, as defined in section 296.01;*
- (10) for energy audits for school buildings and to make modifications if the audit indicates the costs can be recovered within ten years;*
- (11) to improve buildings that are leased according to section 123.36, subdivision 10;*
- (12) to pay special assessments levied against school property but not to pay assessments for service charges;*
- (13) to pay capital expenditure assessments of an educational cooperative service unit;*
- (14) to pay principal and interest on state loans for energy conservation according to section 116J.37 or loans made under the northeast Minnesota economic protection trust fund act according to sections 298.292 to 298.298;*

(15) to purchase or lease computers and related materials, copying machines, and telecommunications equipment;

(16) to purchase or lease equipment for secondary vocational education programs or senior secondary industrial arts programs; and

(17) to purchase textbooks.

Sec. 2. [APPROPRIATIONS.]

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

Subd. 2. [ABATEMENT AID.] For abatement aid according to Minnesota Statutes, section 124.214, there is appropriated:

\$ 6,592,800 ... 1988,

\$ 6,592,800 ... 1989.

Subd. 3. [ARTS EDUCATION AID.] For arts education aid according to Minnesota Statutes, section 124.275, there is appropriated:

\$ 1,048,700 ... 1988.

Subd. 4. [CAPITAL EXPENDITURE AID.] For capital expenditure aid according to Minnesota Statutes, section 124.245, for fiscal year 1988 and section 1 for fiscal year 1989, there is appropriated:

\$ 473,600 ... 1988,

\$11,511,900 ... 1989.

The appropriation for aid for fiscal year 1988 includes \$45,200 for aid for fiscal year 1987 payable in fiscal year 1988 and \$428,400 for aid for fiscal year 1988 payable in fiscal year 1988.

The appropriation for aid for fiscal year 1989 includes \$75,500 for aid for fiscal year 1988 payable in fiscal year 1989 and \$11,436,400 for aid for 1989 payable in fiscal year 1989.

The appropriations are based on aid entitlements of \$503,900 for fiscal year 1988 and \$13,454,500 for fiscal year 1989.

Subd. 5. [HAZARDOUS SUBSTANCE CAPITAL EXPENDITURE.] For hazardous substance capital expenditure aid according to Minnesota Statutes, section 124.245, there is appropriated:

\$ 50,600 ... 1988,

\$ 7,700 ... 1989.

The appropriation for aid for fiscal year 1988 includes \$6,800 for aid for fiscal year 1987 payable in fiscal year 1988 and \$43,800 for aid for fiscal year 1988 payable in fiscal year 1988.

The appropriation for aid for fiscal year 1989 includes \$7,700 for aid for fiscal year 1988 payable in fiscal year 1989.

The appropriations are based on aid entitlements of \$51,500 for fiscal year 1988.

Subd. 6. [CHEMICAL ABUSE PROGRAMS.] For aid for chemical abuse programs according to Minnesota Statutes, section 124.246, there is

appropriated:

\$ 1,023,700 ... 1988,

\$ 153,600 ... 1989.

The appropriation for aid for fiscal year 1988 includes \$153,000 for aid for fiscal year 1987 payable in fiscal year 1988 and \$870,700 for aid for fiscal year 1988 payable in fiscal year 1988.

The appropriation for aid for fiscal year 1989 includes \$153,600 for aid for fiscal year 1988 payable in fiscal year 1989.

The appropriations are based on aid entitlements of \$1,024,300 for fiscal year 1988.

Subd. 7. [GIFTED AND TALENTED AID.] For aid for gifted and talented education programs according to Minnesota Statutes, section 124.247, there is appropriated:

\$1,372,500 ... 1988,

\$ 205,900 ... 1989.

The appropriation for aid for fiscal year 1988 includes \$205,700 for aid for fiscal year 1987 payable in fiscal year 1988 and \$1,166,800 for aid for fiscal year 1988 payable in fiscal year 1988.

The appropriation for aid for fiscal year 1989 includes \$205,900 for aid for fiscal year 1988 payable in fiscal year 1989.

The appropriations are based on aid entitlements of \$1,372,700 for fiscal year 1988.

Subd. 8. [INTERDISTRICT COOPERATION AID.] For aid for inter-district cooperation according to Minnesota Statutes, section 124.272, there is appropriated:

\$2,306,000 ... 1988,

\$ 360,000 ... 1989.

The appropriation for aid for fiscal year 1988 includes \$265,900 for aid for fiscal year 1987 payable in fiscal year 1988 and \$2,040,100 for aid for fiscal year 1988 payable in fiscal year 1988.

The appropriation for aid for fiscal year 1989 includes \$360,000 for aid for fiscal year 1988 payable in fiscal year 1989.

The appropriations are based on aid entitlements of \$2,400,100 for fiscal year 1988.

Subd. 9. [MAXIMUM EFFORT SCHOOL LOAN FUND.] For the maximum effort school loan fund there is appropriated:

\$1,615,200 ... 1988,

\$2,025,100 ... 1989.

Subd. 10. [NONPUBLIC PUPIL AIDS.] For nonpublic pupil education aids according to Minnesota Statutes, sections 123.931 to 123.947, there is appropriated:

\$8,376,400 ... 1988,

\$9,050,600 ... 1989.

The appropriation for aid for fiscal year 1988 includes \$1,087,100 for aid for fiscal year 1987 payable in fiscal year 1988 and \$7,289,300 for aid for fiscal year 1988 payable in fiscal year 1988.

The appropriation for aid for fiscal year 1989 includes \$1,286,300 for aid for fiscal year 1988 payable in fiscal year 1989 and \$7,764,300 for aid for 1989 payable in fiscal year 1989.

The appropriations are based on aid entitlements of \$8,575,600 for fiscal year 1988 and \$9,134,400 for fiscal year 1989.

Subd. 11. [PLANNING, EVALUATION, AND REPORTING PROCESS AID.] For aid for the planning, evaluation, and reporting process according to Minnesota Statutes, section 124.274, there is appropriated:

\$1,014,300 ... 1988.

Subd. 12. [SCHOOL LUNCH AND FOOD STORAGE AID.] For school lunch aid according to Minnesota Statutes, section 124.646, and for food storage and transportation costs for USDA donated commodities there is appropriated:

\$4,625,000 ... 1988,

\$4,625,000 ... 1989.

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

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

Subd. 13. [SECONDARY VOCATIONAL EDUCATION AID.] For secondary vocational education aid according to Minnesota Statutes, section 124.573, there is appropriated:

\$19,549,600 ... 1988,

\$ 2,925,300 ... 1989.

The appropriation for aid for fiscal year 1988 includes \$2,972,300 for aid for fiscal year 1987 payable in fiscal year 1988 and \$16,577,300 for aid for fiscal year 1988 payable in fiscal year 1988.

The appropriation for aid for fiscal year 1989 includes \$2,925,300 for aid for fiscal year 1988 payable in fiscal year 1989.

The appropriations are based on aid entitlements of \$19,502,600 for fiscal year 1988.

Subd. 14. [TOBACCO USE PREVENTION AID.] For tobacco use prevention aid according to Minnesota Statutes, section 124.252, there is appropriated from the public health fund:

\$632,900 ... 1988.

Sec. 3. [REPEALER.]

Subdivision 1. [JUNE 30, 1987.] Minnesota Statutes 1986, sections

275.125, subdivisions 11a, 11c, and 12, are repealed June 30, 1987.

Subd. 2. [JUNE 30, 1988.] Minnesota Statutes 1986, section 124.245, is repealed June 30, 1988.

Subd. 3. [EFFECT OF REPEALER.] According to Minnesota Statutes, section 645.35, the repeal of the sections listed in this section does not affect the right of a school district to receive nor the obligation of the commissioner of education to pay aids attributable to the 1987-1988 school year and payable in fiscal year 1989 under or by virtue of the sections repealed.

Sec. 4. [EFFECTIVE DATE.]

Section 1 is effective for the 1988-1989 school year and thereafter.

ARTICLE 7

MISCELLANEOUS

Section 1. Minnesota Statutes 1986, section 121.11, is amended by adding a subdivision to read:

Subd. 16. [COURSES OFFERED IN SUMMER.] A school board may comply with curriculum rules of the state board by offering any elective secondary course during the summer.

Sec. 2. Minnesota Statutes 1986, section 121.912, subdivision 1, is amended to read:

Subdivision 1. [LIMITATIONS.] Except as provided in this subdivision, sections 121.9121, 123.36, 475.61, and 475.65, a school district may not permanently transfer money from (1) an operating fund to a nonoperating fund; (2) a nonoperating fund to another nonoperating fund; or (3) a nonoperating fund to an operating fund. Permanent transfers may be made from any 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 or to the unreserved account in the transportation fund.~~ The levy authorized pursuant to section 275.125, subdivision 11a, shall be reduced by ~~an amount equal to the amount transferred to the capital expenditure fund.~~ 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. 3. Minnesota Statutes 1986, section 121.912, is amended by adding a subdivision to read:

Subd. 5. [ACCOUNT TRANSFER FOR CERTAIN SEVERANCE PAY.] A school district may maintain in its unreserved severance pay account not more than 50 percent of the amount necessary to meet the obligations for the portion of severance pay that constitutes compensation for accumulated sick leave to be used for payment of premiums for group insurance provided for former employees by the district. The amount necessary shall be calculated according to standards established by the advisory council

on uniform financial accounting and reporting standards. If there is a deficit in any year in any reserved fund balance account, the district shall transfer the amount necessary to eliminate the deficit from the unreserved severance pay account to the reserved fund balance account.

Sec. 4. Minnesota Statutes 1986, section 121.932, subdivision 3, is amended to read:

Subd. 3. [EXEMPTION FROM CHAPTER 14.] Except as provided in section 121.931, subdivision 8, ~~the development of the data element dictionary pursuant to subdivision 1, and the, annual data acquisition calendar pursuant to subdivision 2, shall be, and essential data elements are exempt from the administrative procedure act but, to the extent authorized by law to adopt rules, the board may use the provisions of section 14.38, subdivisions 5 to 9.~~

Sec. 5. Minnesota Statutes 1986, section 121.932, is amended by adding a subdivision to read:

Subd. 5. [ESSENTIAL DATA.] *The department shall maintain a list of essential data elements which must be recorded and stored for each pupil, licensed and nonlicensed staff member, and educational program. Each school district shall send the essential data to the ESV regional computer center to which it belongs, where it shall be assembled and transmitted to the department in the form and format prescribed by the department.*

Sec. 6. Minnesota Statutes 1986, section 121.934, subdivision 1, is amended to read:

Subdivision 1. [CREATION.] An advisory council to the state board consisting of ~~11~~ 12 members ~~appointed by the governor is hereby established. All members except the member from the department of education shall be appointed by the governor. Section 15.059, subdivisions 2, 4, and 5, shall govern membership terms, compensation of members, removal of members, and the filling of membership vacancies shall be as provided in section 15.059. The governor is encouraged to solicit the suggestions of the state board, the governing boards of regional management information centers, and school boards in selecting members of the council.~~

Sec. 7. Minnesota Statutes 1986, section 121.934, subdivision 2, is amended to read:

Subd. 2. [MEMBERSHIP.] The council shall be composed of:

(a) four representatives of school districts, including one school district administrator from a rural school district, one school district administrator from an urban school district, one school board member from a rural school district, and one school board member from an urban school district;

(b) three persons employed in management positions in the private sector, at least two of whom are data processing managers or hold an equivalent position in the private sector;

(c) three persons employed in management positions in the public sector other than elementary, secondary, or vocational education, at least two of whom are data processing managers or hold an equivalent position in the public sector; ~~and~~

(d) one person from the general public; *and*

(e) *one person from the department of education appointed by the com-*

missioner of education.

Members selected pursuant to clauses (b) and (c) shall not be employees or board members of ~~local~~ school districts or the department of education. The council shall include at least one resident of each congressional district.

Sec. 8. Minnesota Statutes 1986, section 121.934, subdivision 6, is amended to read:

Subd. 6. [STAFF AND SUPPORT SERVICES.] ~~The state board shall employ with the concurrence of the council one professional individual, experienced in managing data processing services, who shall be in the unclassified civil service, who shall not be a member of the council, and who shall provide staff assistance to the council. The state board commissioner shall provide all necessary materials and assistance for the transaction of to transact the business of the council. The expenses of undertaking the duties in this section shall be paid for from appropriations made to the state board of education. The commissioner is not required to pay compensation or expenses of the council.~~

Sec. 9. Minnesota Statutes 1986, section 122.541, subdivision 2, is amended to read:

Subd. 2. A district entering into an agreement permitted in subdivision 1 shall:

(1) Continue to count its resident pupils who are educated in a cooperating district as resident pupils in the calculation of pupil units for all purposes, including the calculation of state aids and levy limitations. Notwithstanding section 124.18, subdivision 2, an agreement permitted by subdivision 1 shall provide for the tuition payments the cooperating districts determine are necessary and equitable to compensate each district for the instruction of nonresident pupils; and

(2) Continue to provide transportation and collect transportation aid for its resident pupils pursuant to sections 123.39, ~~124.222 and~~ 124.223, and 124.225. This clause shall not be construed to prohibit a district from providing some or all transportation to its resident pupils by contracting with a district ~~which~~ that has entered the agreement. For purposes of aid calculations pursuant to section ~~124.222~~ 124.225, the commissioner may adjust the base cost per eligible pupil transported to reflect changes in costs resulting from an agreement which provides for a district to discontinue at least one grade.

Sec. 10. Minnesota Statutes 1986, section 123.35, is amended by adding a subdivision to read:

Subd. 16. [SCHOOL NURSE.] *A board of a district with 1,000 pupils or more must employ at least one full-time licensed school nurse. The board may contract with a public health agency for nursing services. The board shall not reduce the number of licensed school nurses that it employed during the 1986-1987 school year, except, if the enrollment of the district declines, the district may reduce the equivalent services of licensed school nurses proportionately.*

Sec. 11. Minnesota Statutes 1986, section 124.14, subdivision 7, is amended to read:

Subd. 7. [APPROPRIATION TRANSFERS.] *If a direct appropriation to the commissioner department of education for any education aids aid au-*

thorized in this chapter and chapters 121, 123, 124A, 125, 126, 129B, and 134 exceeds the amount required for payment of the corresponding aid entitlement, the commissioner of education may transfer the excess to any education aid or grant 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 shall be allocated proportionately among aids or grants 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. 12. Minnesota Statutes 1986, 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: summer program aid according to section 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; planning, evaluating, and reporting process aid according to section 123.7431-124.274; and extended leave and part-time teacher aids according to chapters 354 and 354A.

Sec. 13. Minnesota Statutes 1986, section 124.273, subdivision 5, is amended to read:

Subd. 5. [NOTIFICATION; AID PAYMENTS.] The department shall inform each applicant district of the amount of aid it will receive pursuant to this section within a month after the application deadline, and the department shall pay the aid within 15 days after notifying the district that it will receive aid. Beginning with the 1982-1983 school year, 85 percent of the aid shall be paid within 15 days after the aid notification and the remaining aid to each district shall be paid on or before October 31 of the following school year.

Sec. 14. Minnesota Statutes 1986, section 124A.031, subdivision 4, is amended to read:

Subd. 4. [LOST REVENUE AID.] Each year, based on current year tax data reported in the abstracts of tax lists, the commissioner of revenue shall determine the distribution to each school district of the amount of revenue lost as a result of the reduction in property taxes provided in section 124.2137. On or before July 15 of each year, the commissioner of revenue shall certify the amounts so determined to the department of education. The department of education shall pay each school district its distribution as part of the foundation aid payment to each district in accordance with the payment dates in subdivision 4 section 124.195, as applicable.

Sec. 15. Minnesota Statutes 1986, section 125.03, subdivision 5, is amended 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 prekindergarten, el-

ementary, 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. 16. Minnesota Statutes 1986, 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, *for persons applying for initial licenses*, 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. 17. Minnesota Statutes 1986, section 125.611, subdivision 11, is amended to read:

Subd. 11. Notwithstanding the provisions of ~~subdivisions~~ *subdivision 2, 3 and 7*, a teacher who has entered into an agreement for termination of services and withdrawal from active teaching service with an early retirement incentive may be employed as a substitute teacher after retirement.

Sec. 18. Minnesota Statutes 1986, section 125.611, subdivision 12, is amended to read:

Subd. 12. Any amount of unemployment insurance ~~which~~ *that* the teacher receives and for which the district is required to pay into the unemployment compensation fund pursuant to section 268.06, subdivision 25, ~~at any time after the teacher has entered into an agreement pursuant to subdivision 7,~~ may be deducted by the district from the amount of the teacher's early retirement incentive or recovered by the district from the teacher up to the amount of the early retirement incentive. ~~The district shall pay 50 percent of any amount so deducted or recovered to the department of education, and any amount so received by the department shall be deposited in the state treasury.~~

Sec. 19. Minnesota Statutes 1986, section 125.611, subdivision 13, is amended to read:

Subd. 13. [APPLICATIONS AFTER JUNE 30, 1984.] ~~The state shall not reimburse the district for any portion of an early retirement incentive for any applications submitted after June 30, 1984. Beginning on July 1, 1984,~~ A teacher meeting the requirements of subdivision 1 may apply to the school board of the employing district for a contract for termination of services, withdrawal from active teaching service, and payment of an early retirement incentive. This application shall be submitted on or before February 1 of the school year at the end of which the teacher wishes to retire.

A school board shall approve or deny the application within 30 days after it is received by the board. The amount of the early retirement incentive shall be agreed upon between the teacher and the school board. The early retirement incentive shall be paid by the employing district at the time and in the manner mutually agreed upon by a teacher and the board.

Sec. 20. [126.201] [ADMINISTRATION OF MEDICATION BY SCHOOL PERSONNEL.]

A licensed school nurse or, in the absence of the nurse, a principal or teacher may administer medication prescribed for a pupil under the conditions set forth in this section. Administration of medication by school personnel must only be done according to the written order of a licensed physician and written authorization of a parent. Medication to be administered must be brought to school in a container appropriately labeled by the pharmacy or physician. Medications that are not taken orally or that have the potential of dangerous side effects may be administered only by a licensed school nurse.

Sec. 21. Minnesota Statutes 1986, section 126.56, subdivision 3, is amended to read:

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~~ review the financial need of each pupil ~~based on to meet the actual charges made costs of attending the summer program, as determined by the institution sponsoring the summer program and.~~ The board 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 A scholarship shall not be less than \$100 or more than exceed \$1,000.~~

Sec. 22. Minnesota Statutes 1986, section 126.56, subdivision 6, is amended to read:

Subd. 6. [INFORMATION.] *The higher education coordinating board, in cooperation with the academic excellence foundation, shall assemble and distribute information about scholarships and eligible programs. It may seek nonstate funds to perform its duties.*

Sec. 23. [126.63] [ADVANCED PLACEMENT AND INTERNATIONAL BACCALAUREATE EXAMINATION FEES.]

The state shall pay \$30 of the examination fees for the international baccalaureate program and for the college board advanced placement program for public school pupils in the 11th and 12th grades. Each year by May 30 each school district shall report to the commissioner of education the number of pupils who take examinations by examination subject.

Sec. 24. Minnesota Statutes 1986, 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 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 at cost except for, including~~ nominal costs of reproduction and distribution. *Money from the sale of courseware packages is annually appropriated to the department of education to purchase additional courseware packages according to this section.*

Sec. 25. Minnesota Statutes 1986, section 171.29, subdivision 2, is amended to read:

Subd. 2. (a) A person whose drivers license has been revoked as provided in subdivision 1, except under section 169.121 or 169.123, shall pay a \$30 fee before the person's drivers license is reinstated.

(b) A person whose drivers license has been revoked as provided in subdivision 1 under section 169.121 or 169.123 shall pay a \$150 fee before the person's drivers license is reinstated to be credited as follows:

(1) 50 percent shall be credited to the trunk highway fund;

(2) 25 percent shall be credited to a separate account to be known as the county probation reimbursement account. Money in this account is appropriated to the commissioner of corrections for the costs that counties assume under Laws 1959, chapter 698, of providing probation and parole services to wards of the commissioner of corrections. This money is provided in addition to any money which the counties currently receive under section 260.311, subdivision 5; and

(3) 25 percent shall be credited to a separate account ~~to be known as the alcohol impaired driver education account. Money in the account is appropriated to the commissioner of education for grants to develop alcohol impaired driver education programs in elementary, secondary, and post-secondary schools. The state board of education shall establish guidelines for the distribution of the grants. The commissioner of education shall report to the legislature by January 15, 1988, on the expenditure of grant funds under this clause.~~

Sec. 26. Laws 1986, First Special Session chapter 1, article 5, section 9, is amended to read:

Sec. 9. [TEMPORARY CHANGE IN PAYMENT OF AIDS AND CREDITS TO SCHOOL DISTRICTS.]

If the commissioner of finance determines that modifications in the payment schedule are required to avoid state short-term borrowing, the commissioner of education shall modify payments to school districts according to this section. The modifications shall begin no sooner than September 1, 1986 1987, and shall remain in effect until no later than May 30, 1987 1989. In calculating the payment to a school district pursuant to Minnesota Statutes, section 124.195, subdivision 3, the commissioner may subtract the sum specified in that subdivision, plus an ~~additional~~ amount no greater than the following:

(1) the net cash balance in the district's four operating funds on June 30, 1986 *of the preceding fiscal year*; minus

(2) the product of \$150 times the number of actual pupil units in the

~~1985-1986 school~~ preceding fiscal year; minus

(3) the amount of payments made by the county treasurer during the preceding fiscal year ~~1986~~, pursuant to Minnesota Statutes, section 276.11, ~~which that~~ is considered revenue for the ~~1986-1987 current~~ school year. However, no additional amount shall be subtracted if the total of the net ~~unappropriated~~ unreserved fund balances in the district's four operating funds on June 30, ~~1986 of the preceding fiscal year~~, is less than the product of \$350 times the number of actual pupil units in the ~~1985-1986 school~~ preceding fiscal year. The net cash balance shall include all cash and investments, less certificates of indebtedness outstanding, and orders not paid for want of funds.

A district may appeal the payment schedule established by this section according to the procedures established in *Minnesota Statutes*, section 7 124.195, subdivision 3a.

Sec. 27. [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. [AP AND IB EXAMINATION FEES.] For reimbursement of advanced placement and international baccalaureate examination fees there is appropriated:

\$100,000 ... 1988,

\$120,000 ... 1989.

Any remaining balance from fiscal year 1988 shall not cancel and shall be available for fiscal year 1989.

Subd. 3. [COUNCIL ON QUALITY EDUCATION.] For the council on quality education venture fund grants and dissemination according to Minnesota Statutes, sections 129B.01 to 129B.05, there is appropriated:

\$308,900 ... 1988,

\$ 43,200 ... 1989.

The appropriation for aid for fiscal year 1988 includes \$63,900 for aid for fiscal year 1987 payable in fiscal year 1988 and \$245,000 for aid for fiscal year 1988 payable in fiscal year 1988.

The appropriation for aid for fiscal year 1989 includes \$43,000 for aid for fiscal year 1988 payable in fiscal year 1989.

The appropriations are based on aid entitlements of \$288,200 for fiscal year 1988.

Subd. 4. [EDUCATIONAL COOPERATIVE SERVICE UNITS.] For educational cooperative service units there is appropriated:

\$748,000 ... 1988,

\$112,000 ... 1989.

The appropriation for aid for fiscal year 1988 includes \$112,200 for aid for fiscal year 1987 payable in fiscal year 1988 and \$635,800 for aid for fiscal year 1988 payable in fiscal year 1988.

The appropriation for aid for fiscal year 1989 includes \$112,000 for aid for fiscal year 1988 payable in fiscal year 1989.

The appropriations are based on aid entitlements of \$748,000 for fiscal year 1988.

Funds from this appropriation shall be transmitted to ECSU boards of directors for general operations in the amount of \$68,000 per ECSU for fiscal year 1988; 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 \$136,000 for fiscal year 1988 for general operations.

Subd. 5. [EXTENDED LEAVES OF ABSENCE.] For the state's obligations according to Minnesota Statutes, sections 354.094 and 354A.091, there is appropriated:

\$196,900 ... 1988.

Subd. 6. [REGIONAL MANAGEMENT INFORMATION CENTERS.] For regional management information centers there is appropriated:

\$3,410,700 ... 1988.

Subd. 7. [COMPREHENSIVE ARTS PLANNING PROGRAM.] For grants for the comprehensive arts planning program according to Minnesota Statutes, section 129B.20, there is appropriated:

\$37,500 ... 1988.

Sec. 28. [APPROPRIATIONS.]

Subdivision 1. [HIGHER EDUCATION COORDINATING BOARD.] There is appropriated from the general fund to the higher education coordinating board the sums indicated in this section for the fiscal years ending June 30 in the years designated.

Subd. 2. [SUMMER PROGRAM SCHOLARSHIPS.] For scholarship awards for 1988 and 1989 summer programs according to Minnesota Statutes, section 126.56, there is appropriated:

\$213,700 ... 1988,

\$213,700 ... 1989.

Of this appropriation, the amount required may be used for the higher education coordinating board's costs of administering the program.

Sec. 29. [REPEALER.]

Minnesota Statutes 1986, sections 124A.031, subdivision 1; 125.611, subdivisions 8, 9, and 10; 354.66, subdivisions 4a and 9; 354A.094, subdivisions 4a and 9; and Laws 1985, First Special Session chapter 12, article 8, section 46, are repealed.

Sec. 30. [EFFECTIVE DATE.]

Section 10 is effective July 1, 1988. Sections 21 and 22 are effective the day following final enactment.

ARTICLE 8

ACCESS TO EXCELLENCE

Section 1. Minnesota Statutes 1986, section 121.609, subdivision 4, is amended to read:

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 educational effectiveness. 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. *Every other year, the department shall evaluate the performance of the required service providers and consider new proposals to provide regional services.*

Sec. 2. [122.91] [EDUCATION DISTRICT ESTABLISHMENT.]

Subdivision 1. [PURPOSE.] *The purpose of an education district is to increase educational opportunities for pupils by increasing cooperation and coordination among school districts.*

Subd. 2. [AGREEMENT.] *School boards meeting the requirements of subdivision 3 may enter into a written agreement to establish an education district. The agreement and subsequent amendments must be adopted by majority vote of the full membership of each board.*

Subd. 3. [REQUIREMENTS FOR FORMATION.] *An education district must have one of the following at the time of formation:*

- (1) at least five districts;*
- (2) at least 5,000 pupils in average daily membership; or*
- (3) at least 2,000 square miles.*

Subd. 4. [NOTICE AND HEARING.] *Before entering into an agreement, the school board of each member district shall publish at least once in a newspaper of general circulation in the district a summary of the proposed agreement and its effect upon the district. The board shall conduct a public hearing on the proposed agreement not more than ten days after the notice and at least 30 days before entering into an agreement.*

Subd. 5. [JOINDER AND WITHDRAWAL.] *A process for a district to join or withdraw from an education district shall be included in the education district agreement.*

Subd. 6. [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 agreement. The educational cooperative service units may provide any other services requested by the education district.*

Sec. 3. [122.92] [EDUCATION DISTRICT BOARD.]

The education district board shall be composed of at least one repre-

sentative appointed by the school board of each member district. The representative shall serve at the pleasure of the appointing school board and may be recalled by a majority vote of the appointing school board. Each representative shall serve for the term that is specified in the agreement. The board shall select its officers from among its members and shall determine the terms of the officers. The board shall adopt by-laws for the conduct of its business.

Sec. 4. [122.93] [POWERS AND DUTIES OF THE BOARD.]

Subdivision 1. [COORDINATION.] An education district board shall coordinate the programs and services of the education district according to the terms of the written agreement. The board shall implement the agreement for delivering educational services needed in the education district.

Subd. 2. [RESEARCH AND DEVELOPMENT.] The board shall implement the portion of the agreement, set forth in section 5, subdivision 2, clause (2), relating to research, planning, and development.

Subd. 3. [PERSONNEL.] The board may employ personnel as necessary to provide and support the programs and services of the education district. Education district staff shall participate in retirement programs.

Subd. 4. [CONTRACTS.] The board may enter into contracts with school districts and other public and private agencies to provide services needed in the education district.

Subd. 5. [GENERAL LAW.] The board shall be governed, unless specifically provided otherwise, by laws applicable to independent school districts.

Subd. 6. [ADVISORY COUNCIL.] An advisory council, consisting of representatives from the program areas covered by the agreement, shall be appointed by the education district board.

Subd. 7. [REPORT TO MEMBERS.] The board shall submit a quarterly report to the member districts about the activities of the education district.

Sec. 5. [122.94] [EDUCATION DISTRICT AGREEMENT.]

Subdivision 1. [ESTABLISHMENT.] An education district board shall adopt a comprehensive agreement for continuous learning. The agreement must address methods to improve the educational opportunities available in the education district. It must be submitted for review by all educational cooperative service units serving the education district. The education district board shall review the agreement annually and propose necessary amendments to the member districts.

Subd. 2. [MANDATORY PROVISIONS.] The agreement must provide for the following:

(1) coordination of member district and education district programs for handicapped pupils, gifted and talented pupils, secondary vocational education, improved learning, community education, early childhood family education, career education, and low incidence academic programs;

(2) research, planning, and development functions, including acquiring and disseminating research information and developing methods to implement research, such as educational effectiveness programs and improving education based on educational research; and

(3) methods to meet pupil needs for health services, library services, and counseling services.

Subd. 3. [OPTIONAL PROVISIONS.] The agreement may contain the following:

- (1) methods for sharing administrative and management services;*
- (2) professional development programs;*
- (3) programs that use learning time available during the summer; or*
- (4) use of technology for education programs and management assistance.*

Subd. 4. [EXTENDED YEAR.] The agreement may provide opportunities for pupils to receive instruction throughout the entire year and for teachers to coordinate educational opportunities and provide instruction throughout the entire year. Pupils may receive instruction for more than or less than the daily number of hours required by the rules of the state board of education. However, the pupil must receive instruction each year for at least the total number of instructional hours required by statutes and rules. A teacher who is employed for the extended year may develop, in consultation with pupils and parents, individual educational programs for not more than 125 pupils.

Subd. 5. [ATTENDANCE IN OTHER DISTRICTS.] The agreement may provide for a pupil who is a resident of a member district to enroll in programs or courses offered by another member district or transfer to another member district. A pupil and parent shall consult with a career teacher, counselor, or principal before transferring to another district. The agreement shall specify procedures for reimbursement among the member districts. The district of residence shall count all resident pupils who enroll in programs or courses or transfer to another district as its pupils for the purpose of state aid and levy limitations. The agreement shall determine whether transportation is available for pupils enrolled in programs or courses or transferring to another district.

Sec. 6. [122.95] [TEACHING POSITIONS.]

Subdivision 1. [DEFINITION.] For the purposes of this section, "teacher" has the meaning given it in section 125.12, subdivision 1, except that it does not include a superintendent.

Subd. 2. [FILLING POSITIONS.] (a) When an education district board or a member board is filling a position resulting from implementation of the agreement, the board may offer the position to a teacher currently employed by a member district according to the exchange teacher provisions of section 125.13.

(b) If the position is not filled by a currently employed teacher, the board shall offer the position to an available teacher in the order of seniority in fields of licensure on a combined seniority list of all available teachers in the member districts. An available teacher is a teacher in a member district who:

(1) was placed on unrequested leave of absence by a member district, according to section 125.12, subdivision 6a or 6b, or 125.17, subdivision 11, not more than one year before the initial formation of an education district;

(2) was placed on unrequested leave of absence by a member district,

according to section 125.12, subdivision 6a or 6b, or 125.17, subdivision 11, as a result of implementing the education district agreement, after the formation of the education district; or

(3) is placed on unrequested leave of absence by a member district, according to section 125.12, subdivision 6a or 6b, or 125.17, subdivision 11, in the same year the position is filled.

(c) If the position is not filled by an available teacher, the board shall offer the position to a teacher who was placed on unrequested leave of absence by a member district, according to section 125.12, subdivision 6a or 6b, or 125.17, subdivision 11, for reasons unrelated to implementing the agreement.

(d) If no currently employed teacher, available teacher, or other teacher on unrequested leave of absence accepts the position, the board may fill the position with another teacher.

(e) Any teacher on unrequested leave of absence has a right to a position only as long as the teacher has a right to reinstatement under section 125.12, subdivision 6a or 6b, or 125.17, subdivision 11.

Subd. 3. [PROBATION AND TERMINATION.] Notwithstanding section 125.12, subdivision 3, a teacher who transfers employment from one member district to another member district does not have to serve a probationary period. A teacher who is terminated or discharged according to section 125.12, subdivision 6 or 8, has no right to any position.

Subd. 4. [DETERMINATION OF REASON FOR LEAVE.] At the time a member board places a teacher on unrequested leave of absence, according to section 125.12, subdivision 6a or 6b, the board shall make a determination whether the placement is a result of implementing the education district agreement. That determination shall be included in the notice of proposed placement, may be reviewed at a hearing upon request of the teacher, and shall be included in the notice of final action by the board. If the determination is not disputed by the teacher before June 1, the teacher shall be deemed to acquiesce to the board's determination.

Sec. 7. [122.96] [BONDS FOR EDUCATION DISTRICTS.]

Subdivision 1. [PURPOSE OF BONDS.] The education district board, acting on its own behalf, may issue bonds for the acquisition of secondary school facilities or for funding or refunding related outstanding bonds, warrants, orders, or certificates of indebtedness. The board shall comply with the provisions of chapter 475.

Subd. 2. [APPROVAL RESOLUTION.] The purpose and the amount of any borrowing shall first be approved by resolution of the board of the education district. When the resolution has been adopted by the board it shall be published once in a newspaper of general circulation in the education district.

Subd. 3. [ELECTION.] The education district board shall not sell and issue bonds for acquisition purposes until the question of their issuance has been submitted to the voters of the education district at a special election held in and for the education district. The date of the election, the question to be submitted, and all other necessary conduct of the election shall be fixed by the board. The election shall be conducted and canvassed under the direction of the education district board in accordance with section 123.32, insofar as may be applicable.

If a majority of the total number of votes cast on the question within the education district is in favor of the question, the board may proceed with the sale and the issuance of the bonds.

Subd. 4. [OBLIGATION FOR PAYMENT.] The full faith, credit, and unlimited taxing powers of the education district shall be pledged to the payment of all bonds and certificates of indebtedness. None of the obligations shall be included in the net debt, as defined by section 475.51, subdivision 4, of any member school district.

Subd. 5. [TAX LEVIES.] The education district board, upon awarding a contract for the sale of the bonds, shall certify to the county auditor or county auditors the years and amounts of taxes required to be levied for the payment of the bonds as provided by section 475.61. The county auditor shall cause the taxes to be spread in each year until bonds and interest have been paid upon all of the assessable, taxable valuation of the education district.

Subd. 6. [TAX-EXEMPT SECURITIES.] The bonds are authorized securities within the provisions of section 50.14, and shall be deemed instruments of a public governmental agency.

Sec. 8. Minnesota Statutes 1986, section 123.34, subdivision 9, is amended to read:

Subd. 9. [SUPERINTENDENT.] All districts maintaining a classified secondary school shall employ a superintendent who shall be an ex officio nonvoting member of the school board. The authority for selection and employment of a superintendent shall be vested in the school board in all cases. Notwithstanding the provisions of sections 122.532, 122.541, 125.12, subdivision 6a or 6b, or any other law to the contrary, no individual shall have a right to employment as a superintendent based on seniority or order of employment in any district. When two or more school boards have a written agreement to purchase or share the services of a superintendent, the boards may select a superintendent from any of the districts to perform the services without regard to that superintendent's relative seniority or order of employment among the superintendents in all of the districts. Unless otherwise provided in the superintendent's contract, a superintendent who is not selected to perform the services may exercise any rights provided by section 125.12. The superintendent of a district shall perform the following:

(a) visit and supervise the schools in the district, report and make recommendations about their condition when advisable or on request by the board;

(b) recommend to the board employment and dismissal of teachers;

(c) superintend school grading practices and examinations for promotions;

(d) make reports required by the commissioner of education; and

(e) perform other duties prescribed by the board.

Sec. 9. [126.661] [PER DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] For the purposes of sections 9 to 14 and section 126.67 the following terms have the meanings given them.

Subd. 2. [CURRICULUM.] "Curriculum" means written plans for providing learning experiences that lead to the acquisition of knowledge, skills,

and attitudes.

Subd. 3. [LEARNER OUTCOME.] "*Learner outcome*" means a specific educational goal of the curriculum.

Subd. 4. [INSTRUCTION.] "*Instruction*" means methods of providing learning experiences that facilitate pupil progress in attaining outcomes.

Subd. 5. [ESSENTIAL LEARNER OUTCOMES.] "*Essential learner outcomes*" means the specific basic learning experiences that must be provided for all students.

Subd. 6. [PER PROCESS.] "*Planning, evaluating, and reporting process*" or "*PER process*" means a process, described in sections 9 to 14 and 126.67, to establish a cycle for curriculum identification, implementation, review, and improvement that is reported to the community and the state.

Sec. 10. [126.662] [PER FINDINGS.]

To ensure equity in education programs for all pupils, the legislature finds that a process is needed to facilitate decisions by school boards and communities concerning education curriculum planning, evaluation for curriculum, instruction improvement, and determining the services that can or should be provided by institutions, such as the family, private or public organizations and agencies, in addition to being provided by public education.

Sec. 11. [126.663] [PER CURRICULUM ACCOUNTABILITY AND IMPROVEMENT PROCESS.]

Subdivision 1. [STATE PROCESS.] *The state board, with the advice of the state curriculum advisory committee, shall adopt a state PER process and standard procedures for district planning, evaluating, and reporting processes and reporting.*

Subd. 2. [MODEL STATE CORE CURRICULUM.] *The state board shall adopt a set of learner outcomes that it considers to be essential for each subject area. The department of education, in cooperation with the state curriculum advisory committee, shall develop a validated research-based process to identify a set of learner outcomes that are essential for each subject area.*

Subd. 3. [MODEL LEARNER OUTCOMES.] *The department shall develop and maintain sets of learner outcomes in state board identified subject areas that it considers to be model learner outcomes. The department shall make the sets available for use by a district at the option of the district. The sets shall be for pupils in kindergarten to grade 12. The department shall consult with each of the public post-secondary systems and with the higher education coordinating board in developing model learner outcomes appropriate for entry into post-secondary institutions.*

Sec. 12. [126.664] [TECHNICAL ASSISTANCE.]

The commissioner of education shall make technical assistance for planning and evaluation available to school districts. The department shall collect the annual reports from districts, as provided in section 14, subdivision 4, and shall make these reports available, upon request, to any person. If requested, the department shall provide technical assistance to a district developing methods for measuring group or individual pupil progress.

Sec. 13. [126.665] [STATE CURRICULUM ADVISORY COMMITTEE.]

The commissioner shall appoint a state curriculum advisory committee of 11 members to advise the state board and the department on the PER process. Nine members shall be from each of the educational cooperative service units and two members shall be at-large. The committee shall include representatives from the state board of education, parents, teachers, administrators, and school board members. Each member shall be a present or past member of a district curriculum advisory committee. The state committee shall provide information and recommendations about at least the following:

- (1) department procedures for reviewing reports and disseminating information;*
- (2) exemplary PER processes;*
- (3) recommendations for improving the PER process; and*
- (4) developing a process for identifying and attaining essential learner outcomes.*

By February 1 of each year, the commissioner, in cooperation with the state curriculum advisory committee, shall prepare a report for the education committees of the legislature. The report shall include the recommendations of the state curriculum advisory committee.

Sec. 14. [126.666] [SCHOOL DISTRICT PROCESS.]

Subdivision 1. [ADOPTING POLICIES.] Each school board shall adopt a written PER policy that includes the following:

- (1) district curriculum goals;*
- (2) learner outcomes for each subject area at each grade level that include the essential learner outcomes adopted by the state board under section 11, subdivision 2;*
- (3) a process for evaluating each student's progress toward attaining learner outcomes and for identifying strengths and weaknesses of the curriculum;*
- (4) a system for periodically reviewing all curriculum;*
- (5) curriculum and instruction improvement plans; and*
- (6) an instruction plan that includes education effectiveness processes developed according to section 121.608 and integration of curriculum and technology developed under section 129B.33.*

At least every three years, in formulating the policy, the school board shall consider integrating consumer and economic literacy education into elementary and secondary education. The school board is encouraged to adopt the learner outcomes for consumer education developed by the department of education.

Subd. 2. [CURRICULUM ADVISORY COMMITTEE.] Each school board shall establish a curriculum advisory committee to permit active community participation in all phases of the PER process. The advisory committee shall represent the district and include principals, teachers, parents, support staff, and other community representatives. Whenever possible, parents and other community representatives shall comprise at least two-

thirds of the advisory group. The curriculum advisory committee shall develop comprehensive integrated standards of excellence in learning programs. The standards must recognize and incorporate community education, improved learning, and early childhood family education components, as well as other components traditionally required for accreditation. The committee shall make recommendations to the board about the programs enumerated in article 1, section 8, that the committee determines should be offered. The recommendations shall be based on district needs and priorities.

Subd. 3. [BUILDING TEAM.] A team may be established at each school building to develop and implement an education effectiveness plan to improve curriculum and instruction. The team shall advise the board and the advisory committee about the development of an instruction improvement plan that aligns curriculum, assessment of student progress, and instruction.

Subd. 4. [REPORT.] By October 1 of each year, the school board shall adopt a report that includes the following:

- (1) learner outcomes adopted for that year;*
- (2) results of local assessment data, and any additional test data;*
- (3) the annual school district improvement plans; and*
- (4) information about progress that has been made toward the improvement plans that were previously adopted by the board.*

The school board shall publish the report in the local newspaper with the largest circulation in the district or by mail. The report shall be available for inspection by the public. A copy of the report shall be sent to the commissioner of education by October 15 of each year.

Subd. 5. [BIENNIAL EVALUATION; ASSESSMENT PROGRAM.] At least once every two years the report shall include an evaluation of the testing programs, according to the following:

- (1) written objectives of the curriculum;*
- (2) names of tests and grade levels tested;*
- (3) use of test results; and*
- (4) implementation of assurance of mastery program.*

Sec. 15. Minnesota Statutes 1986, section 126.67, is amended by adding a subdivision to read:

Subd. 2b. [DISTRICT ASSESSMENTS.] As part of the PER process, each year a district shall, in at least three grades, conduct assessments among at least a sample of pupils, for each subject area in that year of the curriculum review cycle. The district's curriculum review cycle for communication, mathematics, science, and social studies shall not extend beyond five years. 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 program developed by the department, or other tests. As they become available, districts shall use state developed measures to assure state progress toward the state core curriculum. Funds are provided for districts which choose to use the local assessment program or the assessment item bank.

Sec. 16. Minnesota Statutes 1986, section 126.67, subdivision 3a, is

amended to read:

Subd. 3a. [ASSURANCE OF MASTERY.] Each school board shall adopt a policy establishing a process to assure individual pupil mastery in communications and mathematics. This process shall include at least the following:

(1) procedures, which may include multiple or separate criteria, for the evaluation and identification of nonspecial education pupils and pupils with limited English proficiency who are not making sufficient progress in the mastery of communications and mathematics;

(2) procedures for implementation in grades kindergarten to 12, ~~beginning in the 1986-1987 school year,~~ and requiring evaluation of progress toward mastery at least once during grades K to 3, once during grades 4 to 6, once during grades 7 to 9, and once during grades 10 to 12;

(3) procedures for parent conferences to establish an individualized remediation or modified instruction plan for each pupil who is not making sufficient progress toward mastery of communication or mathematic skills; and

(4) procedures which shall consider and address the special needs of handicapped pupils and pupils with limited English proficiency.

Sec. 17. Minnesota Statutes 1986, section 126.67, subdivision 6, is amended to read:

Subd. 6. [ADDITIONAL TESTING.] The department upon written agreement with ~~local~~ school districts may perform additional testing and evaluation of students. The department may collect a reasonable fee not to exceed the actual cost of services. *The department may also sell products and services as a part of the assessment item bank program to public and private entities outside of the state. Money from the sale of these products and services is annually appropriated to the department for the item bank.*

Sec. 18. [129B.52] [AREA LEARNING CENTER ORGANIZATION.]

Subdivision 1. [GOVERNANCE.] A school district may establish an area learning center either by itself or in cooperation with other districts, an ECSU, an intermediate school district, public and private secondary and post-secondary institutions, public agencies, businesses, and foundations. Except for a district located in a city of the first class, a center must serve the geographic area of at least two districts.

Subd. 2. [ACCESS TO SERVICES.] A center shall have access to the district's regular education programs, technology facilities, and staff. It may contract with individuals or post-secondary institutions. It shall seek the involvement of community education programs, post-secondary institutions, community resources, businesses, and other federal, state, and local public agencies.

Subd. 3. [NONRESIDENT PUPILS.] A pupil who does not reside in the district may attend a center without consent of the school board of the district of residence. All nonresident pupils must be assessed by the center to determine if the pupil is eligible.

Sec. 19. [129B.53] [CENTER PROGRAMS AND SERVICES.]

Subdivision 1. [PROGRAM FOCUS.] The programs and services of a

center must focus on academic and learning skills, trade and vocational skills, work experience, and transition services.

Subd. 2. [PEOPLE TO BE SERVED.] A center shall provide programs for secondary pupils and adults. Secondary pupils to be served are those who are chemically dependent, not likely to graduate from high school, need assistance in vocational and basic skills, can benefit from employment experiences, and need assistance in transition from school to employment. Adults to be served are dislocated homemakers and workers and others who need basic educational and social services. In addition to offering programs, the center shall coordinate the use of other available educational services, social services, and post-secondary institutions in the community. The center may also provide programs for elementary and secondary pupils who are not attending the center to assist them in completing high school.

Subd. 3. [RULES EXEMPTION.] Notwithstanding any law to the contrary, the center programs must be available throughout the entire year. Pupils in a center may receive instruction for more than or less than the daily number of hours required by the rules of the state board of education. However, a pupil must receive instruction each year for at least the total number of instructional hours required by statutes and rules. A center may petition the state board under Minnesota Rules, part 3500.1000, for exemption from other rules.

Subd. 4. [GRADUATION.] Upon successful completion of the center program, a pupil is entitled to receive a high school diploma. The pupil may elect to receive a diploma from either the district of residence or the district in which the center is located.

Sec. 20. [129B.54] [RESOURCE CENTER FOR OTHER PROGRAMS.]

An area learning center must serve as a resource for other districts, educational, community, and business organizations. The center may charge a fee for these services. The following services shall be provided for a region or the state:

- (1) information and research for alternative programs;
- (2) regional or state workshops on awareness, identification, programs, and support for these pupils; and
- (3) recommendations for staff qualifications to ensure the most qualified staff can be selected for the programs.

Sec. 21. [129B.55] [CENTER FUNDING.]

Subdivision 1. [OUTSIDE SOURCES.] A center may accept:

- (1) resources and services from post-secondary institutions serving center pupils;
- (2) resources from job training partnership act programs, including funding for jobs skills training for various groups and the percentage reserved for education;
- (3) resources from the department of human services and county welfare funding; or
- (4) private resources, foundation grants, gifts, corporate contributions, and other grants.

Subd. 2. [FOUNDATION REVENUE.] For each nonresident pupil at-

tending the center, the district of residence shall pay tuition to the district in which the center is located. The tuition shall be the nonresident district's foundation and tier revenue or general education revenue that is attributable to the pupil.

Sec. 22. [EXPENSE REIMBURSEMENT.]

The members of an education district may apply to the state board of education not later than October 1, 1988, for reimbursement of initial expenses incurred in forming an education district. Reimbursement for all the members of a single education district may not exceed \$250,000. Expenses may include legal fees for preparing an agreement, publication costs, and other necessary costs. Personnel expenses shall be limited to reimbursement for travel. The state board shall establish guidelines to determine the expenses that are necessary. The state board shall approve reimbursements within the limits of the appropriation. At least half of the amount appropriated shall be reserved for districts located outside of the seven-county metropolitan area.

Sec. 23. [PLANNING GRANTS FOR FISCAL YEARS 1988 AND 1989.]

Subdivision 1. [EXISTING PROGRAMS.] Up to 20 planning grants of \$5,000 may be awarded for fiscal year 1988 for existing alternative programs. The grants are to prepare a plan for an existing program to become an area learning center by expanding or redesigning its services.

Subd. 2. [ELIGIBILITY REQUIREMENTS.] To qualify for a planning grant, an existing program must have the following:

(1) an educational program that includes at least some of the programs in section 19, subdivision 2;

(2) outreach activities; and

(3) an established policy of accepting nonresident pupils.

Subd. 3. [GRANT AWARDS.] The commissioner of education shall award planning grants based on short descriptions of applicants' current and proposed programs. Grant recipients must be geographically disbursed throughout the state.

Subd. 4. [PLANS.] A grant recipient shall submit a plan to the commissioner by January 1, 1988. The plan must include:

(1) the variety of people to be served;

(2) alternative approaches to services;

(3) interagency cooperation;

(4) community, business, parent, and pupil involvement;

(5) methods to identify potential dropouts;

(6) outreach activities;

(7) needs assessment of community services;

(8) sources of funding;

(9) services for jobs and employability skills;

(10) commitments from cooperating agencies, businesses, and others;

(11) resource services to be provided to other programs and agencies;

- (12) criteria for evaluation, including measuring learner outcomes;
- (13) methods by which the area learning center will provide practical expertise and leadership for other centers; and
- (14) how the program will attempt to meet the requirements.

Sec. 24. [1988 SELECTION OF EXEMPLARY CENTERS.]

Based on the plans, the commissioner of education shall select four sites to be designated exemplary area learning centers. The sites must be geographically distributed throughout the state. The commissioner shall award each site a grant of \$50,000.

Sec. 25. [1989 AND 1990 EVALUATION.]

The commissioner of education shall provide for independent evaluation of the program and cost of the area learning centers during fiscal years 1989 and 1990. A preliminary report shall be submitted to the legislature by February 1, 1989. The final report shall be submitted by February 1, 1990. Both reports must provide information about:

- (1) whether the programs were implemented according to the plan;*
- (2) the success of the programs;*
- (3) the financial and other resources available to and used by the centers;*
- (4) cooperation and coordination among agencies;*
- (5) programs that were offered; and*
- (6) the cost of the programs.*

Sec. 26. [1988-1989 GRANTS FOR TEACHER CENTERS.]

Subdivision 1. [DEFINITION.] For the purposes of this section, "teacher" has the meaning given it in section 179A.03, subdivision 2.

Subd. 2. [ESTABLISHMENT.] During the biennium, a teacher center may be established by one or more school boards and the exclusive representatives of the teachers. A grant from the board of teaching may be used to plan the center. The teacher center shall serve at least ten districts or 3,000 teachers.

Subd. 3. [POLICY BOARD MEMBERSHIP.] Representatives of exclusive representatives and representatives of the school boards shall mutually determine the composition of the policy board according to the guidelines in this subdivision. A majority of the policy board must be teachers. The number of policy board members from each participating district must be in proportion to the number of teachers in each district. The board shall be composed of elementary, secondary, and special area teachers, parents, and representatives of school boards, post-secondary education, and either business or labor. At least one teacher from each participating district shall be a member of the board.

Subd. 4. [BOARD POWERS AND DUTIES.] The board shall formulate policy, designate a fiscal agent, control the budget, expend funds to accomplish the purposes of the center, contract for technical and other assistance, and perform other managerial or supervisory activities consistent with the rules of the state board of education. The board may employ staff or contract for consulting services.

Subd. 5. [CENTER FUNCTIONS.] A teacher center shall perform func-

tions according to this subdivision. The center shall assist teachers, diagnose learning needs, experiment with the use of multiple instructional approaches, assess pupil outcomes, assess staff development needs and plans, and teach school personnel about effective pedagogical approaches. The center shall develop and produce curricula and curricular materials designed to meet the educational needs of pupils being served by applying educational research and new and improved methods, practices, and techniques. The center shall provide programs to improve the skills of teachers to meet the special educational needs of pupils. The center shall provide programs to familiarize teachers with developments in curriculum formulation and educational research, including how research can be used to improve teaching skills. The center shall facilitate sharing of resources, ideas, methods, and approaches directly related to classroom instruction and improve teachers' familiarity with current teaching materials and products for use in their classrooms. The center shall provide in-service programs.

Sec. 27. [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. [EDUCATION DISTRICT EXPENSE REIMBURSEMENT.] For reimbursement of district expenses in forming an education district there is appropriated:

\$1,500,000 ... 1988.

The appropriation for fiscal year 1988 shall not cancel but shall be available until June 30, 1989.

Subd. 3. [CENTER PLANNING GRANTS.] For area learning center planning grants there is appropriated:

\$100,000 ... 1988.

Subd. 4. [EXEMPLARY SITES FOR AREA LEARNING CENTERS.] For grants for exemplary sites for area learning centers there is appropriated:

\$200,000 ... 1989.

Subd. 5. [INDEPENDENT EVALUATION.] For independent evaluation of area learning centers there is appropriated:

\$20,000 ... 1989.

Sec. 28. [REPEALER.]

Minnesota Statutes 1986, sections 121.20, 126.65, 126.66, and 126.67, subdivisions 1, 1a, 2a, 5b, and 9, are repealed.

Sec. 29. [EFFECTIVE DATE.]

Section 8 is effective the day following final enactment.

ARTICLE 9

LIBRARIES

Section 1. Minnesota Statutes 1986, section 134.10, is amended to read:

134.10 [BOARD VACANCIES; COMPENSATION.]

The library board president shall report vacancies in the board to the council or the board of county commissioners. The council or board of county commissioners shall fill the vacancies by appointment for the unexpired term. Library board members shall receive no compensation for their services but may be reimbursed for actual and necessary traveling expenses incurred in the discharge of library board duties and activities or a per diem allowance according to section 375.47 in place of the expenses.

Sec. 2. [134.341] [COUNTY FINANCIAL SUPPORT.]

To ensure the availability of public library service to all people, 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 regional public library system to which it is assigned by the state board of education under section 134.34, subdivision 3. Each county board of commissioners shall appoint at least one county resident to serve as a representative on the regional public library system board and may appoint more than one representative under terms and conditions of the regional public library system contract.

Sec. 3. [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:

\$4,899,700 ... 1988,

\$4,974,800 ... 1989.

The appropriation for 1988 includes \$671,100 for aid for fiscal year 1987 payable in fiscal year 1988 and \$4,228,600 for aid for fiscal year 1988 payable in fiscal year 1988.

The appropriation for 1989 includes \$746,200 for aid for fiscal year 1988 payable in fiscal year 1989 and \$4,228,600 for aid for fiscal year 1989 payable in fiscal year 1989.

The appropriations are based on aid entitlements of \$4,974,800 for fiscal year 1988 and \$4,974,800 for fiscal year 1989.

Subd. 3. [MULTICOUNTY, MULTITYPE LIBRARY SYSTEMS.] For grants pursuant to sections 134.353 and 134.354 to multicounty, multitype library systems there is appropriated:

\$216,800 ... 1988,

\$221,500 ... 1989.

The appropriation for 1988 includes \$28,500 for aid for fiscal year 1987 payable in fiscal year 1988 and \$188,300 for aid for fiscal year 1988 payable in fiscal year 1988.

The appropriation for 1989 includes \$33,200 for fiscal year 1988 payable in fiscal year 1989 and \$188,300 for aid for fiscal year 1989 payable in fiscal year 1989.

The appropriations are based on aid entitlements of \$221,500 for fiscal year 1988 and \$221,500 for fiscal year 1989.

Sec. 4. [EFFECTIVE DATE.]

Section 2 is effective January 1, 1989."

Delete the title and insert:

"A bill for an act relating to education; providing for aids for education and the distributions of tax revenues; providing for certain powers and duties of school boards, the state board of education, the commissioner of education, and others; establishing general education revenue that is composed of basic, compensatory education, training and experience, and sparsity revenue; combining certain categorical aids; providing special instruction and services for handicapped children from birth; making certain modifications to the school of the arts and resource center; establishing education districts and area learning centers; modifying requirements for school district planning, evaluating, and reporting; requiring counties to participate in regional public library systems; appropriating money; amending Minnesota Statutes 1986, sections 43A.08, subdivisions 1, and 1a; 120.03, subdivision 1; 120.17, subdivisions 1, 2, 3, 3a, 3b, 5, 7a, 12, and by adding subdivisions; 121.11, by adding a subdivision; 121.609, subdivision 4; 121.88, subdivision 7; 121.912, subdivision 1, and by adding a subdivision; 121.932, subdivision 3; and by adding a subdivision; 121.934, subdivisions 1, 2, and 6; 122.541, subdivision 2; 123.34, subdivision 9; 123.35, by adding a subdivision; 123.39, subdivision 1; 123.703, subdivision 3; 123.705; 124.14, subdivision 7; 124.17, subdivision 1, and by adding a subdivision; 124.175; 124.195, subdivision 8; 124.2162, by adding a subdivision; 124.223; 124.225, subdivisions 1, 4b, 7b, 8a, 8i, and 10; 124.26, by adding subdivisions; 124.271, subdivisions 2b, and 7; 124.2711, subdivision 1; 124.273, subdivision 5; 124A.02, subdivisions 9, and 16; 124A.031, subdivision 4; 124A.21; 125.03, subdivision 5; 125.05, subdivision 1; 125.611, subdivisions 11, 12, and 13; 126.54, subdivision 1; 126.56, subdivisions 3, and 6; 126.67, subdivisions 3a, and 6, and by adding a subdivision; 128A.01; 128A.02, subdivisions 2, and 4; 129B.39; 129B.43, subdivisions 1, and 4; 129C.10, subdivisions 1, 3, 4, 5, 6, and by adding subdivisions; 134.10; 136D.27; 136D.74, subdivision 2; 136D.87; 171.29, subdivision 2; 275.125, subdivisions 4, 5, and 8; and Laws 1986, First Special Session chapter 1, article 5, section 9; proposing coding for new law in Minnesota Statutes, chapters 122, 124, 124A, 126, 128A, 129B, and 134; repealing Minnesota Statutes 1986, sections 120.17, subdivision 13; 121.20; 121.935, subdivision 5; 123.3514, subdivision 9; 124.17, subdivisions 1a, and 2d; 124.185; 124.2161; 124.2162; 124.2163; 124.225, subdivision 1a; 124.245; 124.246; 124.247; 124.252; 124.26, subdivisions 1, and 6; 124.272; 124.273, subdivision 2b; 124.274; 124.275; 124.573; 124.65; 124.66; 124A.01; 124A.02, subdivisions 2, 5, 6, 7, 9, 10, 11, 12, 13, and 14; 124A.03, subdivisions 1, 1a, 3, 4, and 6; 124A.031, subdivision 1; 124A.033; 124A.035, subdivision 1; 124A.04; 124A.06, subdivisions 1, 1a, 1b, 2, 3a, and 4; 124A.08, subdivisions 1, 2, 3a, 4, and 5; 124A.10, subdivisions 1, 2, 3a, and 4; 124A.12, subdivisions 1, 2, 3a, and 4; 124A.14, subdivisions 1, 2, 3, 4, 5, 5a, and 6; 124A.16; 124A.20, subdivisions 1, 2, and 3; 124A.21; 125.611, subdivisions 8, 9, and 10; 126.031, subdivision 2; 126.264, subdivision 3; 126.267; 126.268, subdivision 2; 126.60; 126.62; 126.64; 126.65; 126.66; 126.67, subdivisions 1, 1a, 2a, 5b, and 9; 126.70; 126.71; 126.72; 126.80; 126.81; 129B.01; 129B.02; 129B.04; 129B.05; 129B.17; 129B.20; 129B.21; 129B.35; 129B.43,

subdivisions 2, 3, and 6; 129B.61; 129B.62; 129B.63; 129B.64; 129B.65; 129B.66; 129B.67; 275.125, subdivisions 3, 6a, 8a, 11a, 11c, and 12; 354.66, subdivisions 4a and 9; 354A.094, subdivisions 4a and 9; and Laws 1985, First Special Session chapter 12, article 8, section 46."

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. Dicklich from the Committee on Public Utilities and Energy, to which was referred

S.F. No. 1267: A bill for an act relating to energy; authorizing loans to cities and counties for energy conservation investments and authorizing repayment of those loans; authorizing issuance of bonds; appropriating money; amending Minnesota Statutes 1986, sections 116J.37; 275.50, subdivision 5; 471.65; and 475.51, subdivision 4.

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

Amend the title as follows:

Page 1, line 2, after "cities" insert ", towns,"

Page 1, line 4, delete ";; authorizing"

Page 1, line 5, delete "issuance of bonds; appropriating money"

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. 510 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.
510	617				

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. 809 for comparison with companion Senate File, reports the following House File was found not identical with 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.

809

1265

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 809 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 809 and insert the language after the enacting clause of S.F. No. 1265, the first engrossment; further, delete the title of H.F. No. 809 and insert the title of S.F. No. 1265, the first engrossment.

And when so amended H.F. No. 809 will be identical to S.F. No. 1265, and further recommends that H.F. No. 809 be given its second reading and substituted for S.F. No. 1265, and that the Senate File be indefinitely postponed.

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

Mr. Willet from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 818: A bill for an act relating to environment; providing criminal penalties for violation of laws and rules relating to hazardous waste; providing for the distribution and expenditure of monetary penalties; amending Minnesota Statutes 1986, sections 115.071, subdivision 2; 115B.20, subdivisions 2, 3, and 4; and 609.531; proposing coding for new law in Minnesota Statutes, chapter 115; repealing Minnesota Statutes 1986, section 115.071, subdivisions 2a and 2b.

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 1986, section 115.071, subdivision 2, is amended to read:

Subd. 2. [CRIMINAL PENALTIES.] (a) [VIOLATIONS OF LAWS; ORDERS; PERMITS.] (1) Except as provided in subdivisions 2a and 2b section 3, any person who willfully or negligently violates any provision of this chapter or chapter 116, or any standard, rule, variance, order, stipulation agreement, schedule of compliance or permit issued or adopted by the agency thereunder, which violation is not included in clause (2), shall upon conviction be guilty of a misdemeanor.

(2) Any person who willfully or negligently violates any effluent standard and limitation or water quality standard adopted by the agency, any National Pollutant Discharge Elimination System permit or any term or condition thereof, any duty to permit or carry out any recording, reporting, monitoring, sampling, information entry, access, copying, or other inspection or investigation requirement as provided under applicable provisions of this chapter and, with respect to the pollution of waters of the state, chapter 116, or any National Pollutant Discharge Elimination System filing requirement, shall upon conviction be punished by a fine of not less than \$2,500 in the event of a willful violation or not less than \$300 in the event of a negligent violation. In any case the penalty shall not be more than \$40,000 per day of violation or by imprisonment for not more than one

year, or both. If the conviction is for conduct committed after a first conviction of such person under this subdivision, punishment shall be by fine of not more than \$50,000 per day of violation, or by imprisonment for not more than two years, or both.

(b) [INFORMATION AND MONITORING.] Any person who knowingly makes any false statement, representation, or certification in any application, record, report, plan, or other document filed or required to be maintained under this chapter and, with respect to the pollution of the waters of the state, chapter 116, or standards, rules, orders, stipulation agreements, schedule of compliance or permits pursuant hereto, or who falsifies, tampers with, or knowingly renders inaccurate any monitoring device or method required to be maintained under this chapter and, with respect to the pollution of waters of the state, chapter 116, or standards, rules, variances, orders, stipulation agreements, schedules of compliance, or permits pursuant thereto, shall upon conviction, be punished by a fine of not more than \$20,000 per day of violation, or by imprisonment for not more than six months, or both.

(c) [DUTY OF LAW ENFORCEMENT OFFICIALS.] It shall be the duty of all county attorneys, sheriffs and other peace officers, and other officers having authority in the enforcement of the general criminal laws to take all action to the extent of their authority, respectively, that may be necessary or proper for the enforcement of said provisions, rules, standards, orders, stipulation agreements, variances, schedule of compliance, or permits.

Sec. 2. Minnesota Statutes 1986, section 609.531, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For the purpose of this section, the following terms have the meanings given them.

(a) "Conveyance device" means a device used for transportation in connection with a designated offense and includes, but is not limited to, motor vehicles, trailers, snowmobiles, airplanes, and vessels. The term "conveyance device" does not include property which is, in fact, itself stolen or taken in violation of the law.

(b) "Primary container" means a fundamental receptacle other than a conveyance device used to store or transport property.

(c) "Weapon used" means weapons used in the furtherance of a crime and defined as a dangerous weapon under section 609.02, subdivision 6.

(d) "Property" means property as defined in section 609.52, subdivision 1, clause (1).

(e) "Contraband property" means property which is illegal to possess under Minnesota law.

(f) "Appropriate agency" means either the bureau of criminal apprehension, Minnesota state patrol, county sheriffs and their deputies, or city police departments.

(g) "Designated offense" includes:

(1) For weapons used: any violation of this chapter;

(2) For all other purposes: violation of, or an attempt or conspiracy to violate, section 609.185; 609.19; 609.195; 609.21; 609.221; 609.222; 609.223; 609.2231; 609.24; 609.245; 609.25; 609.255; 609.322, subdi-

vision 1 or 2; 609.342, subdivision 1, clauses (a) to (f); 609.343, subdivision 1, clauses (a) to (f); 609.344, subdivision 1, clauses (a) to (e), and (h) to (j); 609.345, subdivision 1, clauses (a) to (e), and (h) to (j); 609.42; 609.425; 609.466; 609.485; 609.487; 609.52; 609.521; 609.525; 609.53; 609.54; 609.551; 609.561; 609.562; 609.563; 609.582; 609.59; 609.595; section 3, subdivisions 3, 4, and 5; 609.687; 609.825; 609.86; 609.88; 609.89; or 617.246, when the violation constitutes a felony.

(h) "Communications device or component" means a device or system used to facilitate in any manner the creation, storage, dissemination, or transmission of data in connection with a designated offense and includes computers and computer-related components as defined in section 609.87 and any other device or system that by means of electric, electronic or magnetic impulses may be used to facilitate in any manner the creation, storage, dissemination, or transmission of data.

Sec. 3. [609.671] [HAZARDOUS WASTE; CRIMINAL PENALTIES.]

Subdivision 1. [DEFINITIONS.] The definitions in this subdivision apply to this section.

(a) "Agency" means the pollution control agency.

(b) "Deliver" or "delivery" means the transfer of possession of hazardous waste, with or without consideration.

(c) "Dispose" or "disposal" has the meaning given it in section 115A.03, subdivision 9.

(d) "Hazardous waste" means any waste identified as hazardous under the authority of section 116.07, subdivision 4, except for those wastes exempted under Minnesota Rules, part 7045.0120, and wastes generated under Minnesota Rules, part 7045.0213 or 7045.0304.

(e) "Permit" means a permit issued by the pollution control agency or interim status for a treatment, storage, or disposal facility for hazardous waste that qualifies under the agency rules.

Subd. 2. [PROOF OF KNOWING STATE OF MIND.] (a) Knowledge possessed by a person other than the defendant but not by the defendant may not be attributed to the defendant. In proving a defendant's actual knowledge, circumstantial evidence may be used, including evidence that the defendant took affirmative steps to shield the defendant from relevant information.

(b) Proof of a defendant's reason to know may not consist solely of the fact that the defendant held a certain job or position of management responsibility. If evidence of the defendant's job or position is offered, it must be corroborated by evidence of defendant's reason to know. Corroborating evidence must include evidence that the defendant had information regarding the offense for which the defendant is charged, that the information pertained to hazardous waste management practices directly under the defendant's control or within the defendant's supervisory responsibilities, and that the information would cause a reasonable and prudent person in the defendant's position to learn the actual facts.

Subd. 3. [FELONY PENALTY FOR KNOWING ENDANGERMENT.]

(a) A person is guilty of a felony if the person:

(1) knowingly, or with reason to know, transports, treats, stores, or disposes of hazardous waste in violation of subdivision 4 or 5; and

(2) at the time of the violation knowingly places, or has reason to know that the person's conduct places, another person in imminent danger of death, great bodily harm, or substantial bodily harm.

(b) A person convicted under this subdivision may be sentenced to imprisonment for not more than ten years, or to pay a fine of not more than \$100,000, or both, except that a defendant that is an organization may be sentenced to pay a fine of not more than \$1,000,000.

Subd. 4. [FELONY PENALTY FOR UNLAWFUL DISPOSAL.] A person who knowingly, or with reason to know, disposes of hazardous waste or arranges for the disposal of hazardous waste at a location other than one authorized by the pollution control agency or the United States Environmental Protection Agency, or in violation of any material term or condition of a hazardous waste facility permit, is guilty of a felony and may be sentenced to imprisonment for not more than five years or to pay a fine of not more than \$50,000, or both.

Subd. 5. [FELONY PENALTY FOR UNLAWFUL TREATMENT, STORAGE, TRANSPORTATION, OR DELIVERY; FALSE STATEMENTS.] (a) A person is guilty of a felony who knowingly, or with reason to know, does any of the following:

(1) delivers hazardous waste to any person other than a person who is authorized to receive the waste under rules adopted under section 116.07, subdivision 4, or under United States Code, title 42, sections 9601 to 9675;

(2) treats or stores hazardous waste without a permit if a permit is required, or in violation of a material term or condition of a permit held by the person, unless:

(i) the person notifies the agency prior to the time a permit would be required that the person will be treating or storing waste without a permit; or

(ii) for a violation of a material term or condition of a permit, the person immediately notifies the agency issuing the permit of the circumstances of the violation as soon as the person becomes aware of the violation;

(3) transports hazardous waste to any location other than a facility that is authorized to receive, treat, store, or dispose of the hazardous waste under rules adopted under section 116.07, subdivision 4, or under United States Code, title 42, sections 9601 to 9675;

(4) transports hazardous waste without a manifest as required by the rules under section 116.07, subdivision 4, and section 221.172;

(5) transports hazardous waste without a license required for the transportation of hazardous waste by chapter 221;

(6) makes a false material statement or representation, or a material omission, in an application for a permit or license required by chapter 116 or 221 to treat, transport, store, or dispose of hazardous waste; or

(7) makes a false material statement or representation, or a material omission, in or on a label, manifest, record, report, or other document filed, maintained, or used for the purpose of compliance with chapter 116 or 221 in connection with the generation, transportation, disposal, treatment, or storage of hazardous waste.

(b) A person convicted under this subdivision may be sentenced to im-

prisonment for not more than three years, or to pay a fine of not more than \$25,000, or both. A person convicted for a second or subsequent offense may be sentenced to imprisonment for not more than five years, or to pay a fine of not more than \$50,000, or both.

Subd. 6. [NEGLIGENT VIOLATION AS GROSS MISDEMEANOR.] A person who commits any of the violations set forth in subdivision 4 or 5 as a result of the person's gross negligence is guilty of a gross misdemeanor and may be sentenced to imprisonment for not more than one year, or to pay a fine of not more than \$15,000, or both.

Subd. 7. [AGGREGATION.] When two or more offenses in violation of subdivision 4 are committed by the same person in two or more counties within a two-year period, the offenses may be aggregated and the accused may be prosecuted in any county in which one of the offenses was committed.

An individual is not eligible to receive a reward if the individual is a peace officer, an employee of the agency or county engaged in enforcement of hazardous waste regulations, an employee of the waste management board, or an individual engaged in providing technical assistance to persons managing hazardous waste under a technical assistance program supported by a grant of state funds.

Sec. 4. Minnesota Statutes 1986, section 628.26, is amended to read:

628.26 [LIMITATIONS.]

(a) Indictments or complaints for murder may be found or made at any time after the death of the person killed.

(b) Indictments or complaints for violation of section 609.42, subdivision 1, clause (1) or (2) shall be found or made and filed in the proper court within six years after the commission of the offense.

(c) Indictments or complaints for violation of sections 609.342 to 609.345 if the victim was under the age of 18 years at the time the offense was committed, shall be found or made and filed in the proper court within seven years after the commission of the offense.

(d) Indictments or complaints for violation of sections 609.466 and 609.52, subdivision 2, clause (3)(d) shall be found or made and filed in the proper court within six years after the commission of the offense.

(e) *Except for violations relating to false material statements, representations or omissions, indictments or complaints for violations of section 3 shall be found or made and filed in the proper court within five years after the commission of the offense.*

(f) In all other cases, indictments or complaints shall be found or made and filed in the proper court within three years after the commission of the offense; but the time during which the defendant shall not be an inhabitant of, or usually resident within, this state, shall not constitute any part of the limitations imposed by this section.

Sec. 5. [REPEALER.]

Minnesota Statutes 1986, section 115.071, subdivisions 2a and 2b, are repealed.

Sec. 6. [EFFECTIVE DATE.]

Sections 1 to 4 are effective August 1, 1987, and apply to violations

occurring on or after August 1, 1987."

Delete the title and insert:

"A bill for an act relating to environment; providing criminal penalties for violation of laws and rules relating to hazardous waste; providing for the distribution and expenditure of monetary penalties; amending Minnesota Statutes 1986, sections 115.071, subdivision 2; 609.531, subdivision 1; and 628.26; proposing coding for new law in Minnesota Statutes, chapter 609; repealing Minnesota Statutes 1986, section 115.071, subdivisions 2a and 2b."

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

SECOND READING OF SENATE BILLS

S.F. Nos. 388, 582, 1041, 1190, 1322, 29, 634 and 1484 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 557, 923, 1416, 1223, 575, 510 and 809 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Belanger moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 29. The motion prevailed.

Mr. Solon moved that the name of Mr. Kroening be added as a co-author to S.F. No. 1152. The motion prevailed.

Mr. Dicklich moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 1197. The motion prevailed.

Mr. DeCramer moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 1212. The motion prevailed.

Mr. Davis moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 1244. The motion prevailed.

Mr. Waldorf moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 1245. The motion prevailed.

Ms. Peterson, D.C. moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 1248. The motion prevailed.

Mr. Dicklich moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 1252. The motion prevailed.

Mr. Bertram moved that the name of Mr. Lessard be added as a co-author to S.F. No. 1254. The motion prevailed.

Mr. Vickerman moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 1289. The motion prevailed.

Mr. Waldorf moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 1312. The motion prevailed.

Mr. Metzen moved that the name of Mr. Lessard be added as a co-author to S.F. No. 1325. The motion prevailed.

Mr. Knaak moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 1342. The motion prevailed.

Mr. Dicklich moved that the names of Mr. Johnson, D.J. and Mrs. Adkins be added as co-authors to S.F. No. 1365. The motion prevailed.

Mr. Benson moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 1451. The motion prevailed.

Mr. Johnson, D.E. introduced—

Senate Resolution No. 59: A Senate resolution congratulating the Wildcats girls basketball team from New London-Spicer High School for their fourth place finish in the 1987 State High School Girls Basketball Tournament.

Referred to the Committee on Rules and Administration.

Mr. Pehler introduced—

Senate Resolution No. 60: A Senate resolution congratulating the Huskies women's basketball team from St. Cloud State University for winning third place in the North Central Conference.

Referred to the Committee on Rules and Administration.

Mr. Moe, R.D. moved that House Concurrent Resolution No. 9 be taken from the table and referred to the Committee on Rules and Administration. The motion prevailed.

Mr. Willet moved that H.F. No. 332 be withdrawn from the Committee on Environment and Natural Resources and re-referred to the Committee on Rules and Administration for comparison with S.F. No. 388 now on General Orders. 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. Peterson, R.W.; Frank; Merriam and Laidig introduced—

S.F. No. 1491: A bill for an act relating to courts; authorizing additional district court judges for the tenth judicial district; amending Minnesota Statutes 1986, section 2.722, subdivision 1.

Referred to the Committee on Judiciary.

Mr. Peterson, R.W. introduced—

S.F. No. 1492: A bill for an act relating to education; providing for capital improvements at the Cambridge Community College Center; providing for the issuance of state building bonds.

Referred to the Committee on Finance.

Mr. DeCramer introduced—

S.F. No. 1493: A bill for an act relating to state land; providing for the transfer of a parcel.

Referred to the Committee on Environment and Natural Resources.

Mr. Novak introduced—

S.F. No. 1494: A bill for an act relating to metropolitan government; adding the chair of the transit commission to membership on the metropolitan financial reporting and management advisory committee; amending Minnesota Statutes 1986, section 473.1623, subdivision 2.

Referred to the Committee on Local and Urban Government.

Mr. Novak and Ms. Reichgott introduced—

S.F. No. 1495: A bill for an act relating to wild animals; directing a report to the legislature on raptor population; appropriating funds.

Referred to the Committee on Environment and Natural Resources.

Messrs. Beckman, Vickerman, Ms. Piper, Messrs. Frederickson, D.J. and Morse introduced—

S.F. No. 1496: A bill for an act relating to taxation; increasing the value of commercial-industrial property that is assessed at a lower ratio; amending Minnesota Statutes 1986, section 273.13, subdivision 24.

Referred to the Committee on Taxes and Tax Laws.

Mr. Dahl introduced—

S.F. No. 1497: A bill for an act relating to water pollution; providing for grants and loans for the construction and rehabilitation of wastewater treatment facilities and systems; authorizing rulemaking; appropriating money; amending Minnesota Statutes 1986, sections 116.16, subdivision 5; 116.167; 116.18, subdivisions 2a, 3a, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 116.

Referred to the Committee on Environment and Natural Resources.

MEMBERS EXCUSED

Mr. Wegscheid was excused from the Session of today.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Thursday, April 23, 1987. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate