

EIGHTY-SECOND DAY

St. Paul, Minnesota, Monday, April 2, 1990

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

CALL OF THE SENATE

Mr. Frank 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. Donald Zenk.

The members of the Senate gave the pledge of allegiance to the flag of the United States of America.

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

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

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 communication was received.

March 30, 1990

The Honorable Robert E. Vanasek
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 1990 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.	Time and Date Approved 1990	Date Filed 1990
	1893	362	1650 hours March 29	March 30
2353		363	2138 hours March 29	March 30
	2508	366	1652 hours March 29	March 30
	2149	367	2141 hours March 29	March 30
	1987	368	2142 hours March 29	March 30
1663		369	2144 hours March 29	March 30
	951	370	2146 hours March 29	March 30
	1859	372	2140 hours March 29	March 30
	2594	379	2137 hours March 29	March 30

Sincerely,
Joan Anderson Growe
Secretary of State

MESSAGES FROM THE HOUSE

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 5 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 2618: A bill for an act relating to public administration; appropriating money or reducing appropriations to the higher education coordinating board, regents of the University of Minnesota, state university board, state board for community colleges, and state board of vocational technical education, with certain conditions; excepting notification of committee chairs on certain capital projects; establishing a community college at Cambridge; clarifying the duties and powers of the higher education coordinating board; authorizing tuition reciprocity agreements with contiguous Canadian provinces; establishing a state matching grant program to match private gifts to endowment funds; requiring administrative service plans for technical colleges under certain circumstances; changing permitted kinds of investments for the permanent university fund; permitting capital gains of the fund to be used to support endowed academic chairs; authorizing the purchase of a certain building by the state university board; requiring development of a consumer information system for occupational programs; regulating public post-secondary plans; requiring reports; adjusting contributions to state system retirement plans; amending Minnesota Statutes 1988, sections 136.60; 136.602; 136C.05, by adding a subdivision; 137.022, subdivisions 1 and 3; 352.92, subdivision 2; 352B.02, subdivision 1c; 353.27, subdivision 3a; and 354.42, subdivision 5; Minnesota Statutes 1989 Supplement, sections 16B.335, subdivision 2; 136A.04; 136A.08; 352.04, subdivisions 2 and 3; and 354B.04, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 136A; repealing Minnesota Statutes 1988, section 353.27, subdivision 3.

There has been appointed as such committee on the part of the House: Carlson, L.; Dorn; Price; Orenstein and Morrison.

Senate File No. 2618 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 30, 1990

Mr. President:

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

S.F. No. 2621: A bill for an act relating to the organization and operation of state government; appropriating money for human services and health and other purposes with certain conditions; amending Minnesota Statutes 1988, sections 13.46, subdivision 5; 144A.073, by adding a subdivision; 245A.07, subdivision 3; 245A.08, subdivision 3; 245A.16, subdivision 4; 254B.04, subdivision 1; 254B.08; 256.736, subdivision 3a; 256.936, by adding a subdivision; 256B.04, subdivisions 15 and 16; 256B.055, subdivisions 3, 5, 6, and 12; 256B.056, subdivisions 2 and 7, and by adding a subdivision; 256B.0625, subdivisions 4, 5, 9, and by adding subdivisions; 256B.091, subdivisions 4 and 6; 256B.092, subdivisions 1a and 1b, and by adding subdivisions; 256B.15; 256B.19, by adding a subdivision; 256B.431, subdivision 3e, and by adding subdivisions; 256B.48, subdivision 2, and by adding a subdivision; 256B.49, by adding a subdivision; 256B.50, subdivisions 1 and 1b; 256B.501, subdivision 3e, and by adding a subdivision; 256B.69, subdivision 3; 256D.03, subdivision 7; 256E.06, subdivisions 2 and 7; 256H.01, by adding subdivisions; 518.171, subdivisions 1, 3, 4, and 7; 518.54, by adding subdivisions; 518.551, subdivisions 1 and 5; 518.611, subdivisions 1, 2, 8, and 8a, and by adding a subdivision; 518C.02, by adding subdivisions; 518C.03; 518C.05; 518C.09; 518C.12; and 518C.27, subdivision 1; Minnesota Statutes 1988, section 252.27, as amended by Laws 1989, chapter 282, article 2, section 92; Minnesota Statutes 1989 Supplement, sections 144.50, subdivision 6; 245.470, subdivision 1; 245.488, subdivision 1; 245A.02, subdivision 6a; 245A.03, subdivision 2; 245A.04, subdivisions 3, 3a, and 3b; 245A.12; 245A.13; 245A.16, subdivision 1; 252.46, subdivisions 1, 2, 3, 4, and 12; 254B.03, subdivision 4; 256.736, subdivision 16; 256.74, subdivision 1; 256.936, subdivision 1; 256.969, subdivisions 2c and 6a; 256.9695, subdivisions 1 and 3; 256B.055, subdivision 7; 256B.056, subdivisions 3 and 4; 256B.057, subdivisions 1 and 2, and by adding subdivisions; 256B.0575; 256B.059, subdivisions 4 and 5; 256B.0595, subdivisions 1, 2, and 4; 256B.0625, subdivision 13; 256B.091, subdivision 8; 256B.14; 256B.431, subdivision 2b; 256B.495, subdivision 1; 256B.69, subdivision 16; 256D.03, subdivisions 3, 4, and 6; 256D.425, subdivision 3; 256H.03, subdivisions 2, 2a, and 2b; 256H.05, subdivisions 1b, 1c, 2, and 5; 256H.08; 256H.15, subdivisions 1 and 2; 256I.05, subdivisions 1 and 7; 257.57, subdivision 1; 518.551, subdivision 10; 518.611, subdivision 4; and 518.613, subdivision 2; Laws 1988, chapter 689, article 2, section 256; Laws 1989, chapter 282, article 3, section 98, subdivisions 4 and 5; proposing coding for new law in Minnesota Statutes, chapters 60A; 144; 245A; 252; 254A; 256; and 256B; repealing Minnesota Statutes 1988, sections 256.736, subdivision 8; 256B.0625, subdivision 2; 256B.431, subdivisions 3, 3b, 3c, and 3d; and 256B.50, subdivision 2; Minnesota Statutes 1989 Supplement, sections 256.736, subdivision 15; 256B.055, subdivision 8; and 256B.431,

subdivisions 3a and 3f.

Senate File No. 2621 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 30, 1990

Mr. Samuelson moved that the Senate do not concur in the amendments by the House to S.F. No. 2621, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

REPORTS OF COMMITTEES

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

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was re-referred

S.F. No. 1807: A bill for an act relating to Hennepin county; permitting the issuance of obligations by the county board for a public safety building.

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

Page 1, line 8, before "*Hennepin*" insert "*Subdivision 1. [AUTHORIZATION.]*"

Page 1, line 14, after "*The*" insert "*first \$20,000,000 in principal amount of obligations issued under this section and one-half of the principal amount of additional*"

Page 1, line 15, delete the second "*the*" and insert "*those*" and delete "*not*"

Page 1, line 18, after the period, insert "*The remaining obligations issued under this section and the property taxes levied to pay the debt service on them shall not be included in that calculation. The bonds issued under this section are exempt from the reverse referendum provision of Minnesota Statutes, section 373.40, subdivision 2, paragraph (c), but must be approved by vote of at least two-thirds of the members of the county board.*"

Subd. 2. [PLANNING PROCESS.] Hennepin county shall not issue the obligations authorized under this section for the public safety building and related facilities until the board of county commissioners of Hennepin county has entered into a planning process which must include:

(1) comparative analysis of alternative sites, including but not limited to: site preparation factors, proximity to the county courthouse, and potential construction or legal delays for each site;

(2) programmatic plans relating to physical structure, construction, and operational costs;

(3) integration into the long-range physical plan of the city of Minneapolis;

(4) integration with existing and proposed correctional facilities in the seven-county metropolitan area; and

(5) continued use of the current jail facilities for correctional purposes for a period of at least ten years.

The planning process shall include at least one public hearing, and must be completed by September 1, 1990. The board of county commissioners and the city of Minneapolis must cooperate in the analysis and planning process described in clauses (1) and (3)."

Amend the title as follows:

Page 1, line 4, before the period, insert “; requiring a planning process and public hearing”

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

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

H.F. No. 2365 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

SPECIAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2365	2200				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2365 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2365 and insert the language after the enacting clause of S.F. No. 2200, the first engrossment; further, delete the title of H.F. No. 2365 and insert the title of S.F. No. 2200, the first engrossment.

And when so amended H.F. No. 2365 will be identical to S.F. No. 2200, and further recommends that H.F. No. 2365 be given its second reading and substituted for S.F. No. 2200, 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. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 2395: A bill for an act relating to unemployment compensation; making various technical changes; regulating eligibility of conservation corps members and entertainers; increasing the income disregard; regulating eligibility for persons receiving holiday pay; regulating administrative hearings; providing for data sharing; appropriating certain federal money; amending Minnesota Statutes 1988, sections 268.08, subdivision 3; 268.10, subdivision 9; and 268.12, subdivision 13; Minnesota Statutes 1989 Supplement, sections 84.965, subdivision 2; 84.98, subdivision 5; 268.04, subdivision 12; 268.07, subdivision 2; 268.12, subdivision 12; 270B.14, subdivision 8; and 290.92, subdivision 21.

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

Mr. Merriam from the Committee on Finance, to which was referred

S.F. No. 2619: A bill for an act relating to claims against the state; providing for payment of various claims; appropriating money.

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

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

S.F. No. 576: A bill for an act relating to human services; providing that medical certification for general assistance benefits may be made by a licensed chiropractor; amending Minnesota Statutes 1988, section 256D.02, by adding a subdivision.

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

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

H.F. No. 493: A bill for an act relating to education; requiring a pupil to identify reasons for enrolling in a nonresident district under the enrollment options program; providing a resident district with notice of a pupil's participation under the program; restricting transfers; restricting participation in extracurricular varsity athletic activities in a nonresident district; amending Minnesota Statutes 1988, section 120.062, subdivisions 4, 6, 9, and by adding a subdivision; repealing Minnesota Statutes 1988, section 120.062, subdivision 8.

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

SECOND READING OF SENATE BILLS

S.F. Nos. 1807, 2395, 2619 and 576 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 2365 and 493 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Waldorf moved that the name of Mr. Laidig be stricken as a co-author to S.F. No. 1688. The motion prevailed.

Mr. Waldorf moved that the name of Mr. Bertram be added as a co-author to S.F. No. 1688. The motion prevailed.

Mr. Spear moved that the name of Mr. Marty be added as a co-author to S.F. No. 2177. The motion prevailed.

Mr. Beckman moved that the names of Mr. Ramstad and Ms. Piper be added as co-authors to S.F. No. 2346. The motion prevailed.

Mr. Mehrkens introduced—

Senate Resolution No. 178: A Senate resolution congratulating Coach Jerry Snyder for being named Coach of the Year by the Minnesota Coaches Association.

Referred to the Committee on Rules and Administration.

Mr. Mehrkens introduced—

Senate Resolution No. 179: A Senate resolution congratulating the Lake City High School Boys Basketball team for winning the 1990 Class A Boys State High School Championship.

Referred to the Committee on Rules and Administration.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1891 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1891: A bill for an act relating to trusts; changing certain trust requirements; amending Minnesota Statutes 1989 Supplement, sections 501A.05; 501B.09, by adding a subdivision; 501B.46; 501B.65, subdivision 2; 501B.67, subdivision 1; 501B.68; 501B.69; and 501B.72, subdivision 2.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 56 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	Merriam	Renneke
Anderson	Davis	Johnson, D.J.	Metzen	Samuelson
Beckman	Decker	Kroening	Moe, R.D.	Schmitz
Belanger	Dicklich	Langseth	Morse	Spear
Benson	Diessner	Lantry	Novak	Storm
Berg	Flynn	Larson	Olson	Stumpf
Berglin	Frank	Lessard	Pariseau	Vickerman
Bernhagen	Frederick	Luther	Pehler	Waldorf
Bertram	Frederickson, D.J.	Marty	Peterson, R.W.	
Brandl	Freeman	McGowan	Pogemiller	
Brataas	Gustafson	McQuaid	Purfeerst	
Chmielewski	Hughes	Mehrkens	Ramstad	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1854 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1854: A bill for an act relating to government data practices; establishing procedures for computerized comparisons of data; requiring matching agreements; providing for contesting of data; requiring reviews and reports; imposing penalties; proposing coding for new law as Minnesota Statutes, chapter 13B.

Mr. Peterson, R.W. moved to amend S.F. No. 1854 as follows:

Page 3, line 29, before the period, insert "*from which data were obtained to be used in the matching program*"

The motion prevailed. So the amendment was adopted.

S.F. No. 1854 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Decker	Knaak	Metzen	Reichgott
Anderson	Dicklich	Kroening	Moe, D.M.	Renneke
Beckman	Diessner	Laidig	Moe, R.D.	Samuelson
Belanger	Flynn	Langseth	Morse	Schmitz
Benson	Frank	Lantry	Novak	Spear
Berglin	Frederick	Larson	Olson	Storm
Bernhagen	Frederickson, D.J.	Lessard	Pariseau	Stumpf
Bertram	Frederickson, D.R.	Luther	Pehler	Vickerman
Brandl	Freeman	Marty	Peterson, R.W.	Waldorf
Brataas	Gustafson	McGowan	Piepho	
Chmielewski	Hughes	McQuaid	Pogemiller	
Dahl	Johnson, D.E.	Mehrkens	Purfeerst	
Davis	Johnson, D.J.	Merriam	Ramstad	

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

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 2282 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 2282: A bill for an act relating to contracts; providing for enforcement of certain contracts; proposing coding for new law as Minnesota Statutes, chapter 338.

Mr. Knaak moved to amend S.F. No. 2282 as follows:

Page 1, line 25, after "*employer*" insert "*, if the new employer agrees in writing to be bound by the clause,*"

Page 2, line 1, delete "*That*" and insert "*: except that the*"

Page 2, line 13, delete everything after the period

Page 2, delete lines 14 to 16

CALL OF THE SENATE

Mr. Frank imposed a call of the Senate for the balance of the proceedings on S.F. No. 2282. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the Knaak amendment.

The roll was called, and there were yeas 26 and nays 37, as follows:

Those who voted in the affirmative were:

Anderson	Decker	Knutson	Olson	Storm
Belanger	Frederick	Laidig	Pariseau	Vickerman
Benson	Frederickson, D.R.	Larson	Piepho	
Berg	Gustafson	McGowan	Purfeerst	
Bernhagen	Johnson, D.E.	McQuaid	Ramstad	
Brataas	Knaak	Mehrkens	Renneke	

Those who voted in the negative were:

Adkins	Diessner	Langseth	Moe, R.D.	Samuelson
Beckman	Flynn	Lantry	Morse	Schmitz
Berglin	Frank	Lessard	Novak	Spear
Bertram	Frederickson, D.J.	Luther	Pehler	Stumpf
Brandl	Freeman	Marty	Peterson, R.W.	Waldorf
Dahl	Hughes	Merriam	Piper	
Davis	Johnson, D.J.	Metzen	Pogemiller	
Dicklich	Kroening	Moe, D.M.	Reichgott	

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

S.F. No. 2282 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 44 and nays 22, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Kroening	Moe, D.M.	Reichgott
Beckman	Diessner	Langseth	Moe, R.D.	Samuelson
Berglin	Flynn	Lantry	Morse	Schmitz
Bertram	Frank	Lessard	Novak	Solon
Brandl	Frederickson, D.J.	Luther	Pehler	Spear
Chmielewski	Freeman	Marty	Peterson, R.W.	Stumpf
Dahl	Gustafson	McQuaid	Piper	Vickerman
Davis	Hughes	Merriam	Pogemiller	Waldorf
DeCramer	Johnson, D.J.	Metzen	Purfeerst	

Those who voted in the negative were:

Anderson	Brataas	Knaak	Mehrrens	Renneke
Belanger	Decker	Knutson	Olson	Storm
Benson	Frederick	Laidig	Pariseau	
Berg	Frederickson, D.R.	Larson	Piepho	
Bernhagen	Johnson, D.E.	McGowan	Ramstad	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1520 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1520: A bill for an act relating to human services; creating a technology assistance review panel; proposing coding for new law in Minnesota Statutes, chapter 256.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 2382 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 2382: A bill for an act relating to energy conservation; appropriating oil overcharge money for energy conservation projects that directly serve low-income Minnesotans; amending Minnesota Statutes 1988, section 4.071; and Laws 1989, chapter 338, section 11; repealing Laws 1989, chapter 338, section 11, subdivisions 1 and 3.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Dicklich	Knutson	Metzen	Ramstad
Anderson	Diessner	Kroening	Moe, D.M.	Reichgott
Beckman	Flynn	Laidig	Moe, R.D.	Renneke
Belanger	Frank	Langseth	Morse	Samuelson
Benson	Frederick	Lantry	Novak	Schmitz
Berglin	Frederickson, D.J.	Larson	Olson	Spear
Bernhagen	Frederickson, D.R.	Lessard	Pariseau	Storm
Bertram	Freeman	Luther	Pehler	Stumpf
Brandl	Gustafson	Marty	Peterson, R.W.	Vickerman
Brataas	Hughes	McGowan	Piepho	Waldorf
Dahl	Johnson, D.E.	McQuaid	Piper	
Davis	Johnson, D.J.	Mehrkens	Pogemiller	
Decker	Knaak	Merriam	Purfeerst	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1799 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1799: A bill for an act relating to higher education; authorizing an appropriation for a parking deck at Moorhead State University to be used to acquire land and construct parking spaces.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Decker	Johnson, D.J.	Merriam	Ramstad
Anderson	DeCramer	Knaak	Metzen	Reichgott
Beckman	Dicklich	Knutson	Moe, D.M.	Renneke
Belanger	Diessner	Kroening	Moe, R.D.	Samuelson
Benson	Flynn	Langseth	Morse	Schmitz
Berg	Frank	Lantry	Olson	Spear
Berglin	Frederick	Larson	Pariseau	Storm
Bernhagen	Frederickson, D.J.	Lessard	Pehler	Stumpf
Bertram	Frederickson, D.R.	Luther	Peterson, R.W.	Vickerman
Brandl	Freeman	Marty	Piepho	Waldorf
Brataas	Gustafson	McGowan	Piper	
Dahl	Hughes	McQuaid	Pogemiller	
Davis	Johnson, D.E.	Mehrkens	Purfeerst	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 2489 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 2489: A bill for an act relating to state lands; authorizing the sale of certain tax-forfeited land in Koochiching and Lincoln counties; authorizing the private sale of certain state lands in Scott, Hubbard, and Fillmore counties; appropriating proceeds of the Scott county conveyance; authorizing the sale of certain surplus land in Lake county; authorizing the sale of certain trust fund land in St. Louis county; authorizing the sale of surplus land in Grant county for recreational purposes; authorizing the sale of certain wildlife land in Washington county to independent school district No. 834.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Merriam	Purfeerst
Anderson	Decker	Knaak	Metzen	Ramstad
Beckman	DeCramer	Knutson	Moe, D.M.	Reichgott
Belanger	Dicklich	Kroening	Moe, R.D.	Renneke
Benson	Flynn	Langseth	Morse	Samuelson
Berg	Frank	Lantry	Novak	Schmitz
Berglin	Frederick	Larson	Olson	Spear
Bernhagen	Frederickson, D.J.	Lessard	Pariseau	Storm
Bertram	Frederickson, D.R.	Luther	Pehler	Stumpf
Brandl	Freeman	Marty	Peterson, R.W.	Vickerman
Brataas	Gustafson	McGowan	Piepho	Waldorf
Chmielewski	Hughes	McQuaid	Piper	
Dahl	Johnson, D.E.	Mehrkens	Pogemiller	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 2396 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 2396: A bill for an act relating to the environment; regulating the disposition of property acquired for response action; appropriating money; amending Minnesota Statutes 1988, section 115B.17, by adding a subdivision.

Mr. Morse moved to amend S.F. No. 2396 as follows:

Page 1, line 10, after "*determines*" insert "*that real or personal*"

Page 1, lines 11 and 24, delete "*under subdivision 15*" and insert "*by the agency for response action*"

Page 1, line 23, after "*that*" insert "*real or personal*"

Page 2, line 23, delete "*fund*" and insert "*environmental response, compensation, and compliance account*"

Page 2, line 26, after "*appropriated*" insert "*from the account*" and delete "*from the fund*"

The motion prevailed. So the amendment was adopted.

S.F. No. 2396 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 59 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Knutson	Metzen	Purfeerst
Anderson	Decker	Kroening	Moe, D.M.	Ramstad
Beckman	Dicklich	Langseth	Moe, R.D.	Reichgott
Belanger	Flynn	Lantry	Morse	Renneke
Benson	Frank	Larson	Novak	Samuelson
Berg	Frederickson, D.J.	Lessard	Olson	Schmitz
Berglin	Frederickson, D.R.	Luther	Pariseau	Spear
Bernhagen	Freeman	Marty	Pehler	Storm
Bertram	Hughes	McGowan	Peterson, R.W.	Stumpf
Brandl	Johnson, D.E.	McQuaid	Piepho	Vickerman
Brataas	Johnson, D.J.	Mehrkens	Piper	Waldorf
Dahl	Knaak	Merriam	Pogemiller	

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

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 2025 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 2025: A bill for an act relating to agriculture; creating a restricted seed potato growing area and historic certified seed potato area; providing restrictions; requiring a study; imposing a penalty; proposing coding for new law in Minnesota Statutes, chapter 21.

Mr. Frederick moved to amend H.F. No. 2025 as follows:

Page 1, after line 25, insert:

"Sec. 2. [21.1197] ["GROWER'S OWN" SEED POTATOES.]

Subdivision 1. [CERTIFICATION OF SEED POTATOES AND PLOT.]

(a) A potato grower in Freeborn, Steele, or Mower county may seek certification of seed potatoes grown by the potato grower exclusively for the grower's own use and not for sale.

(b) A seed plot used to produce potatoes under this subdivision must pass all the requirements for certification of seed potatoes under section 21.1195 and rules adopted by the commissioner.

Subd. 2. ["GROWER'S OWN."] Seed potatoes produced on seed plots certified under subdivision 1 are "grower's own" seed potatoes and must not be sold or exchanged as seed.

Subd. 3. [LIMITATION.] "Grower's own" seed potatoes may not represent more than 15 percent of the acreage a grower plants in potatoes in a year. "Grower's own" seed potatoes may be used to plant all of the grower's potato crop the following year except the following year's "grower's own" seed potato plot."

Renumber the sections in sequence

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 2025 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 47 and nays 16, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Morse	Samuelson
Anderson	Decker	Laidig	Novak	Solon
Beckman	DeCramer	Langseth	Olson	Spear
Belanger	Frederick	Lantry	Pariseau	Storm
Berg	Frederickson, D.J.	Larson	Peterson, R. W.	Stumpf
Bernhagen	Frederickson, D.R.	Lessard	Piepho	Vickerman
Bertram	Freeman	McGowan	Piper	Waldorf
Brandl	Gustafson	McQuaid	Ramstad	
Cohen	Hughes	Mehrkens	Reichgott	
Dahl	Johnson, D.E.	Metzen	Renneke	

Those who voted in the negative were:

Berglin	Frank	Kroening	Merriam	Pehler
Chmielewski	Johnson, D.J.	Luther	Moe, D.M.	Pogemiller
Dicklich	Knutson	Marty	Moe, R. D.	Schmitz
Flynn				

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

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1994 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1994: A bill for an act relating to revenue bonds and notes; stating the intent of the legislature not to appropriate money from the general fund to pay for revenue bonds or notes; amending Minnesota Statutes 1988, sections 16B.16, by adding a subdivision; 41A.03, subdivision 5; 136.31, subdivision 1; and 136A.35; Minnesota Statutes 1989 Supplement, sections 136A.176; and 298.2211, subdivision 4.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 53 and nays 5, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Hughes	Merriam	Ramstad
Anderson	Dahl	Johnson, D.E.	Metzen	Reichgott
Beckman	Davis	Knaak	Moe, D.M.	Renneke
Belanger	Decker	Knutson	Moe, R.D.	Schmitz
Benson	DeCramer	Kroening	Morse	Spear
Berg	Dicklich	Lantry	Olson	Storm
Bernhagen	Frank	Lessard	Pariseau	Stumpf
Bertram	Frederick	Luther	Pehler	Vickerman
Brandl	Frederickson, D.J.	McGowan	Peterson, R.W.	Waldorf
Brataas	Frederickson, D.R.	McQuaid	Piepho	
Chmielewski	Freeman	Mehrkens	Piper	

Those who voted in the negative were:

Berglin	Diessner	Flynn	Johnson, D.J.	Pogemiller
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So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Moe, R.D. moved that H.F. No. 2200 be taken from the table. The motion prevailed.

H.F. No. 2200: A bill for an act relating to education; starting, developing, adding to, clarifying, and financing elementary and secondary and related education programs and services, including those relating to general education, transportation, special programs, drug prevention and other community programs, facilities, programs of cooperation, other aids and levies, rural health care, and the department of education; providing for technical rate changes; authorizing bonds and tax levies; appropriating money; amending Minnesota Statutes 1988, sections 120.062, subdivision 9, and by adding a subdivision; 121.148; 121.15, subdivisions 1 and 7; 121.88, subdivision 6; 121.882, subdivision 9, and by adding a subdivision; 121.908, subdivision 3; 121.917, subdivision 4; 122.91, by adding a subdivision; 122.93, by adding a subdivision; 122.94, subdivision 5; 123.33, subdivision 1; 123.35, by adding subdivisions; 123.3514, subdivisions 6 and 6b; 123.36, subdivision 10; 123.37, subdivision 1; 123.38, subdivisions 1 and 2b; 123.39, subdivision 6; 123.58, subdivisions 2 and 6; 123.9361; 123.947; 124.14, subdivision 7; 124.195, subdivision 10, and by adding subdivisions; 124.26, by adding a subdivision; 124.2711, subdivision 2; 124.494, by adding a subdivision; 124A.02, subdivision 1; 124A.036, subdivision 5, and by adding a subdivision; 125.12, by adding a subdivision; 125.17, by adding a subdivision; 125.185, by adding a subdivision; 125.231, subdivision 6; 125.60, subdivision 2; 126.12, subdivision 2; 126.666, subdivisions 2 and 4; 126.70, subdivision 2a; 129B.53, subdivision 3; 141.25, subdivisions 7 and 9; 181A.04, by adding a subdivision; 181A.12, subdivision 1; 275.125, subdivision 4; and 471.59, subdivision 2; Minnesota Statutes 1989 Supplement, sections 121.111, subdivisions 1 and 2; 121.15, subdivision 2; 121.612, subdivisions 3 and 5; 121.88, subdivision 9; 121.882, subdivision 2; 122.243, subdivision 2; 122.91, subdivisions 1 and 5; 122.92, subdivision 1; 122.94, subdivision 6; 122.945, subdivision 2; 123.58, subdivision 9; 124.10, subdivision 2; 124.155, subdivision 2; 124.19, subdivision 7; 124.225, subdivisions 1, 3a, and 8k;

124.26, subdivisions 7 and 8; 124.2711, subdivisions 1 and 3; 124.2713; 124.2715; 124.2721; 124.2725, subdivision 8, and by adding a subdivision; 124.38, subdivision 7; 124.573, subdivision 2d; 124.83, subdivision 6; 124.90, subdivision 2; 124A.22, subdivision 2a; 126.22, subdivisions 2 and 3; 128B.03, subdivision 4; 129.128; 141.35; 275.125, subdivisions 5c, 5e, 6h, 6i, 8b, 9a, 9b, 9c, 11d, and 18; Minnesota Statutes Second 1989 Supplement, sections 124.2442, subdivision 1; 124.83, subdivisions 1 and 4; 124A.26, subdivision 1; Laws 1959, chapter 462, section 3, subdivision 10, as renumbered, as amended; Laws 1984, chapter 463, article 6, section 15, subdivision 2; Laws 1988, chapter 718, article 6, section 23; and Laws 1989, chapter 329, article 5, section 21, subdivision 4; article 11, sections 15, subdivisions 2 and 12; 16, subdivision 2; article 12, sections 9, subdivision 2; and 11; proposing coding for new law in Minnesota Statutes, chapters 121; 122; 124; 125; 126; 129B; and 237; proposing coding for new law as Minnesota Statutes, chapter 124B; repealing Minnesota Statutes 1988, sections 121.15, subdivision 4; 124.43, subdivisions 2, 3, 4, 5, and 6; Minnesota Statutes 1989 Supplement, section 124.43, subdivision 1.

SUSPENSION OF RULES

Mr. Moe, R.D. moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 2200 and that the rules of the Senate be so far suspended as to give H.F. No. 2200 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 2200 was read the second time.

Mr. Peterson, R.W. moved to amend H.F. No. 2200 as follows:

Delete everything after the enacting clause and insert:

“ARTICLE I

GENERAL EDUCATION

Section 1. Minnesota Statutes 1988, section 124.17, subdivision 1b, is amended 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 on October 1 of the previous school year equals six percent or more of the actual pupil units in the district for the ~~same~~ *current school* 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 Second 1989 Supplement, section 124A.03, subdivision 2, is amended to read:

Subd. 2. [REFERENDUM LEVY.] (a) The levy authorized by section 124A.23, subdivision 2, may be increased in the amount approved by the voters of the district at a referendum called for the purpose. The referendum may be called by the school board or shall be called by the school board

upon written petition of qualified voters of the district. The referendum must be held on the first Tuesday after the first Monday in November. The ballot shall state the maximum amount of the increased levy as a percentage of net tax capacity, the amount that will be raised by that tax capacity rate in the first year it is to be levied, and that the tax capacity rate shall be used to finance school operations. The ballot shall designate the specific number of years for which the referendum authorization shall apply. The ballot may contain a textual portion with the information required in this subdivision and a question stating substantially the following:

“Shall the increase in the levy proposed by (petition to) the board of, School District No., be approved?”

If approved, the amount provided by the approved tax capacity rate applied to the net tax capacity for the year preceding the year the levy is certified shall be authorized for certification for the number of years approved, if applicable, or until revoked or reduced by the voters of the district at a subsequent referendum.

(b) The school board shall prepare and deliver by first class mail at least 15 days but no more than 30 days prior to the day of the ~~election~~ referendum to each taxpayer at the address listed on the school district’s current year’s assessment roll, a notice of the referendum and the proposed levy increase. For the purpose of giving mailed notice under this subdivision, owners shall be those shown to be owners on the records of the county auditor or, in any county where tax statements are mailed by the county treasurer, on the records of the county treasurer. Every property owner whose name does not appear on the records of the county auditor or the county treasurer shall be deemed to have waived this mailed notice unless the owner has requested in writing that the county auditor or county treasurer, as the case may be, include the name on the records for this purpose. The notice must project the anticipated amount of increase in annual dollars and annual percentage for typical residential homesteads, agricultural homesteads, apartments, and commercial-industrial property within the school district.

The notice must include the following statement: “In 1989 the legislature reduced property taxes for education by increasing the state share of funding for education. However, state aid for cities and townships was reduced by a corresponding amount. As a result, property taxes for cities and townships may increase. Passage of this referendum will result in an increase in your property taxes.”

(c) A referendum on the question of revoking or reducing the increased levy amount authorized pursuant to paragraph (a) may be called by the school board and shall be called by the school board upon the written petition of qualified voters of the district. A levy approved by the voters of the district pursuant to paragraph (a) must be made at least once before it is subject to a referendum on its revocation or reduction for subsequent years. Only one revocation or reduction ~~election~~ referendum may be held to revoke or reduce a levy for any specific year and for years thereafter.

(d) A petition authorized by paragraph (a) or (c) shall be effective if signed by a number of qualified voters in excess of 15 percent of the registered voters of the school district on the day the petition is filed with the school board. A referendum invoked by petition shall be held on the date specified in paragraph (a).

(e) The approval of 50 percent plus one of those voting on the question is

required to pass a referendum authorized by this subdivision.

(f) At least 15 days prior to the day of the referendum, the district shall submit a copy of the notice required under paragraph (b) to the commissioner of education. Within 30 15 days after the district holds a referendum pursuant to this clause day of the referendum, the district shall notify the commissioner of education of the results of the referendum.

Sec. 3. Minnesota Statutes Second 1989 Supplement, section 124A.26, subdivision 1, is amended to read:

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

The final adjustment payments made under section 124.195, subdivision 6, must be adjusted to reflect actual net operating fund balances as of June 30 of the prior school year.

ARTICLE 2 TRANSPORTATION

Section 1. Minnesota Statutes 1988, section 120.73, subdivision 1, is amended to read:

Subdivision 1. A school board is authorized to require payment of fees in the following areas:

(a) In any program where the resultant product, in excess of minimum requirements and at the pupil's option, becomes the personal property of the pupil;

(b) Admission fees or charges for extra curricular activities, where attendance is optional;

(c) A security deposit for the return of materials, supplies, or equipment;

(d) Personal physical education and athletic equipment and apparel, although any pupil may personally provide it if it meets reasonable requirements and standards relating to health and safety established by the school board;

(e) Items of personal use or products which a student has an option to purchase such as student publications, class rings, annuals, and graduation announcements;

(f) Fees specifically permitted by any other statute, including but not limited to section 171.04, clause (1);

(g) Field trips considered supplementary to a district educational program;

(h) Any authorized voluntary student health and accident benefit plan;

(i) For the use of musical instruments owned or rented by the district, a reasonable rental fee not to exceed either the rental cost to the district or the annual depreciation plus the actual annual maintenance cost for each instrument;

(j) Transportation of pupils to and from extra curricular activities conducted at locations other than school, where attendance is optional;

(k) Transportation of pupils to and from school for which aid is not authorized under section 124.223, ~~clause (4) subdivision 1~~, and for which levy is not authorized under section 275.125, subdivision 5e, if a district charging fees for transportation of pupils establishes guidelines for that transportation to ensure that no pupil is denied transportation solely because of inability to pay;

(l) Motorcycle classroom education courses conducted outside of regular school hours; provided the charge shall not exceed the actual cost of these courses to the school district.

Sec. 2. Minnesota Statutes 1988, section 123.39, subdivision 1, is amended to read:

Subdivision 1. The board may provide for the transportation of pupils ~~to and from school, and for any purpose for which aid is authorized under section 124.223.~~ *The board may also provide for the transportation of pupils 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 economically 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. 3. Minnesota Statutes 1989 Supplement, 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 listed in this section.~~

~~(4) Subdivision 1. [TO AND FROM SCHOOL; BETWEEN SCHOOLS.]~~
 (a) State transportation aid is authorized for 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 and from schools the resident pupils attend according to a program approved by the commissioner of education, or between the schools the resident pupils attend for instructional classes;

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; transportation of a pupil who is a custodial parent and that pupil's child between the pupil's home and the child care provider and between the provider and the school, if the home and provider are within the attendance area of the school.

(b) For the purposes of ~~clause (1)~~ *this subdivision*, a district may designate a licensed day care facility, respite care facility, the residence of a relative, or the residence of a person chosen by the pupil's parent or guardian as the home of a pupil for part or all of the day, if requested by the pupil's parent or guardian and if that facility or residence is within the attendance area of the school the pupil attends.

(c) State transportation aid is authorized for transportation to and from school of an elementary pupil who moves during the school year within an area designated by the district as a mobility zone, but only for the remainder of the school year. The attendance areas of schools in a mobility zone must be contiguous. To be in a mobility zone, a school must meet both of the following requirements:

(i) more than 50 percent of the pupils enrolled in the school are eligible for free or reduced school lunch; and

(ii) the pupil withdrawal rate for the last year is more than 12 percent.

(d) A pupil withdrawal rate is determined by dividing:

(i) the sum of the number of pupils who withdraw from the school, during the school year, and the number of pupils enrolled in the school as a result of transportation provided under this paragraph, by

(ii) the number of pupils enrolled in the school.

(e) The district may establish eligibility requirements for individual pupils to receive transportation in the mobility zone.

~~(2)~~ *Subd. 2. [OUTSIDE DISTRICT.]* State transportation aid is authorized for 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)~~ *Subd. 3. [SECONDARY VOCATIONAL CENTERS.]* State transportation aid is authorized for 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)~~ *Subd. 4. [HANDICAPPED.]* State transportation aid is authorized for 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 or a respite care facility 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 or a respite care facility and school shall not be subject to any distance requirement for children not yet enrolled in kindergarten or to the requirement in ~~clause (4)~~ *subdivision 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)~~ *Subd. 5.* [BOARD AND LODGING; NONRESIDENT HANDICAPPED.] State transportation aid is authorized for, when necessary, board and lodging for nonresident handicapped pupils in a district maintaining special classes.

~~(6)~~ *Subd. 6.* [SHARED TIME.] State transportation aid is authorized for transportation from one educational facility to another within the district for resident pupils enrolled on a shared time basis in educational programs, 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)~~ *Subd. 7.* [FARIBAULT STATE ACADEMIES.] State transportation aid is authorized for transportation for residents to and from the Minnesota state academy for the deaf or the Minnesota state academy for the blind.

~~(8)~~ *Subd. 8.* [SUMMER INSTRUCTIONAL PROGRAMS.] State transportation aid is authorized for services described in ~~clauses (4) to (7), (9), and (10)~~ *subdivisions 1 to 7, 9, and 10* when provided in conjunction with a summer program that meets the requirements of section 124A.27, subdivision 9.

~~(9)~~ *Subd. 9.* [COOPERATIVE ACADEMIC AND VOCATIONAL.] State transportation aid is authorized for transportation to, from or between educational facilities located in any of two or more school districts jointly offering academic classes or secondary vocational classes not provided at a secondary vocational center for resident pupils of any of these districts.

~~(10)~~ *Subd. 10.* [NONPUBLIC SUPPORT SERVICES.] State transportation aid is authorized for 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.

Subd. 11. [POST-SECONDARY INSTITUTIONS.] *State transportation aid is authorized for transportation of pupils enrolled in courses provided under an agreement authorized by section 123.33, subdivision 7, 10 and from a pupil's home and a secondary school or a post-secondary institution, between a secondary school and a post-secondary institution, and between post-secondary institutions.*

Sec. 4. Minnesota Statutes 1989 Supplement, 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 paragraph (e), clause (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) "Regular transportation allowance" for the 1989-1990 school year means the adjusted authorized predicted cost per FTE, inflated pursuant to subdivision 7b.

(e) For purposes of this section, "transportation category" means a category of transportation service provided to pupils:

(1) regular transportation is transportation services provided during the regular school year under section 124.223, ~~clauses (4) subdivisions 1 and (2) 2~~, excluding the following transportation services provided under section 124.223, ~~clause (4) subdivision 1~~: transportation between schools; noon transportation to and from school for kindergarten pupils attending half-day sessions; late transportation home from school for pupils involved in after school activities; 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; and transportation of elementary pupils to and from school within a mobility zone;

(2) nonregular transportation is transportation services provided under section 124.223, ~~clause (4) subdivision 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) subdivisions 3, 4, 5, 6, 7, 8, 9, 10, and 11~~;

(3) excess transportation is transportation to and from school for secondary pupils residing at least one mile but less than two miles from the public school they could attend or from the nonpublic school actually attended, and transportation to and from school for pupils residing less than one mile from school who are transported because of extraordinary traffic, *drug, or crime hazards*; and

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

(f) "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.

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

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

(i) "Base cost" for the 1986-1987 and 1987-1988 base years 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 excess transportation as defined in paragraph (e), clause (3),

(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 FTE pupils transported in the excess category in the base year.

(j) Base cost for the 1988-1989 base year and later years means the ratio of:

(1) the sum of the authorized cost in the base year for regular transportation as defined in clause (b) plus the actual cost in the base year for excess transportation as defined in clause (e);

(2) to the sum of the number of weighted FTE pupils transported in the regular and excess categories in the base year.

(k) "Predicted base cost" for the 1986-1987 and 1987-1988 base years means the base cost as predicted by subdivision 3.

(l) "Predicted base cost" for the 1988-1989 base year and later years means the predicted base cost as computed in subdivision 3a.

(m) "Pupil weighting factor" for the excess transportation category for a school district means the lesser of one, or the result of the following computation:

(1) divide the square mile area of the school district by the number of FTE pupils transported in the regular and excess categories in the base year;

(2) raise the result in clause (1) to the one-fifth power;

(3) divide four-tenths by the result in clause (2).

The pupil weighting factor for the regular transportation category is one.

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

(o) "Sparsity index" for a school district means the greater of .005 or the ratio of the square mile area of the school district to the sum of the

number of weighted FTE's transported by the district in the regular and excess categories in the base year.

(p) "Density index" for a school district means the greater of one or the result obtained by subtracting the product of the district's sparsity index times 20 from two.

(q) "Contract transportation index" for a school district means the greater of one or the result of the following computation:

(1) multiply the district's sparsity index by 20;

(2) select the ~~greater~~ lesser of one or the result in clause (1);

(3) multiply the district's percentage of regular FTE's transported using vehicles that are not owned by the school district by the result in clause (2).

(r) "Adjusted predicted base cost" for the 1988-1989 base year and after means the predicted base cost as computed in subdivision 3a as adjusted under subdivision 7a.

(s) "Regular transportation allowance" for the 1990-1991 school year and after means the adjusted predicted base cost, inflated and adjusted under subdivision 7b.

(t) "Minimum regular transportation allowance" for the 1990-1991 school year and after means the result of the following computation:

(1) compute the sum of the district's basic transportation aid for the 1989-1990 school year according to subdivision 8a and the district's excess transportation levy for the 1989-1990 school year according to section 275.125, subdivision 5e, clause (a);

(2) divide the result in clause (1) by the sum of the number of weighted FTE's transported by the district in the regular and excess transportation categories in the 1989-1990 school year;

(3) select the lesser of the result in clause (2) or the district's base cost for the 1989-1990 base year according to paragraph (j).

Sec. 5. Minnesota Statutes 1989 Supplement, section 124.225, subdivision 8k, is amended to read:

Subd. 8k. [CONTRACTED SERVICES AID REDUCTION.] (a) Each year, a district's transportation aid shall be reduced according to the provisions of this subdivision, if the district contracted for some or all of the transportation services provided in the regular category.

(b) For the 1988-1989 and 1989-1990 school years, the department of education shall compute this subtraction by conducting the multiple regression analysis specified in subdivision 3 and computing the district's aid under two circumstances, once including the coefficient of the factor specified in subdivision 4b, clause (3), and once excluding the coefficient of that factor. The aid subtraction shall equal the difference between the district's aid computed under these two circumstances.

(c) For 1990-1991 and later school years, the department of education shall determine the subtraction by computing the district's regular transportation revenue, *excluding revenue based on the minimum regular transportation allowance*, under two circumstances, once including the factor specified in subdivision 3a, clause (c), and once excluding the factor. The

aid subtraction equals the difference between the district's revenue computed under the two circumstances.

Sec. 6. Minnesota Statutes 1989 Supplement, section 275.125, subdivision 5e, is amended to read:

Subd. 5e. [EXCESS TRANSPORTATION LEVY.] A school district may make a levy for excess transportation costs according to this subdivision. The amount of the levy shall be the result of the following computation:

(a) Multiply the lesser of (1) the regular transportation allowance for the fiscal year to which the levy is attributable, or (2) the base cost for the fiscal year to which the levy is attributable, by the number of weighted FTE pupils transported in the excess category in the district in the current school year.

(b) Add to the result in paragraph (a) the actual cost in the fiscal year to which the levy is attributable of other related services that are necessary because of extraordinary traffic, *drug*, or *crime* hazards.

ARTICLE 3

SPECIAL PROGRAMS

Section 1. Minnesota Statutes 1989 Supplement, section 124.19, subdivision 7, is amended to read:

Subd. 7. [ALTERNATIVE PROGRAMS.] (a) This subdivision applies to an alternative program that has been approved by the state board of education pursuant to Minnesota Rules, part 3500.3500, as exempt from Minnesota Rules, part 3500.1500, requiring a school day to be at least six hours in duration.

(b) To receive general education revenue for a pupil in an alternative program, a school district must meet the requirements in this paragraph. The program must be approved by the commissioner of education. In approving a program, the commissioner may use the process used for approving state designated area learning centers under section 129B.56.

(c) In addition to the requirements in paragraph (b), to receive general education revenue for a pupil in an alternative program that has an independent study component, a school district must meet the requirements in this paragraph.

~~For a course having an independent study component, the pupil must complete coursework and receive credit for each course for which the aid is claimed.~~

The school district must develop with the pupil a continual learning plan for the pupil. A district must allow a minor pupil's parent or guardian to participate in developing the plan, if the parent or guardian wants to participate. The plan must identify the learning experiences and expected outcomes needed for satisfactory credit for the year and for graduation. The plan must be updated each year.

General education revenue for a pupil in an approved alternative program without an independent study component must be prorated for a pupil participating for less than a full school year, or its equivalent.

General education revenue for a pupil in an approved alternative program that has an independent study component must be ~~prorated for a pupil receiving fewer than six credits in a year paid for each hour of teacher~~

contact time and each hour of independent study time completed toward a credit necessary for graduation.

For an alternative program having an independent study component, the commissioner shall require a description of the courses in the program, the kinds of independent study involved, the expected learning outcomes of the courses, and the means of measuring student performance against the expected outcomes.

A credit for a year in an approved alternative program shall, for the purposes of audit, be considered to be 170 hours of teacher contact time and independent study time.

Sec. 2. Minnesota Statutes 1989 Supplement, section 141.35, is amended to read:

141.35 [EXEMPTIONS.]

None of the provisions of sections 141.21 to 141.36 shall apply to the following:

(a) Colleges authorized by the laws of Minnesota or of any other state or foreign country to grant degrees;

(b) Schools of nursing accredited by the state board of nursing or an equivalent public board of another state or foreign country;

(c) Public schools as defined in section 120.05;

(d) Private schools complying with the requirements of section 120.10, subdivision 2;

(e) Private and parochial nonprofit schools exempt from taxation under the constitution of Minnesota;

(f) Courses taught to students in a valid apprenticeship program taught by or required by a trade union;

(g) Schools exclusively engaged in training physically or mentally handicapped persons for the state of Minnesota;

(h) Schools now or hereafter licensed by boards authorized under Minnesota law to issue such licenses;

(i) Schools and educational programs, or training programs, conducted by persons, firms, corporations, or associations, for the training of their own employees, for which no fee is charged the employee;

(j) Schools engaged exclusively in the teaching of purely avocational or recreational, or remedial subjects as determined by the commissioner. Private schools teaching a method or procedure to increase the speed with which a student reads are not within this exemption;

(k) Driver training schools and instructors as defined in section 171.33, subdivisions 1 and 2;

(l) Classes, courses, or programs conducted by a bona fide trade, professional, or fraternal organization, solely for that organization's membership;

(m) Courses of instruction in the fine arts provided by organizations exempt from taxation pursuant to section 290.05 and registered with the attorney general pursuant to chapter 309. "Fine arts" means activities resulting in artistic creation or artistic performance of works of the imagination which are engaged in for the primary purpose of creative expression rather

than commercial sale or employment. In making this determination the commissioner may seek the advice and recommendation of the Minnesota board of the arts;

(n) Classes, courses, or programs intended to fulfill the continuing education requirements for licensure or certification in a profession, which classes, courses, or programs have been approved by a legislatively or judicially established board or agency responsible for regulating the practice of the profession, and which are offered primarily to a person who currently practices the profession;

(o) Classes, courses, or programs intended to prepare students to sit for undergraduate, graduate, postgraduate, or occupational licensing and occupational entrance examinations;

(p) Classes, courses, or programs of a seminar nature providing 16 or fewer hours of instruction that are not part of the curriculum for an occupation or are not intended to prepare a person for entry level employment;

(q) Classes, courses, or programs of a seminar nature providing instruction in personal development, modeling, or acting; and

(r) Training or instructional programs, in which one instructor teaches an individual student, that are not part of the curriculum for an occupation or are not intended to prepare a person for entry level employment.

Sec. 3. [ALTERNATIVE DELIVERY OF SPECIALIZED INSTRUCTIONAL SERVICES.]

Subdivision 1. [COMMISSIONER APPROVAL.] The commissioner of education may approve proposals submitted by independent school district No. 625, St. Paul, and up to nine additional school districts to explore the feasibility of implementing, during the 1990-1991, 1991-1992, and 1992-1993 school years, an alternative to special education and other compensatory programs. The objective of the alternative program shall be to provide prevention services for learners who, based on documented experiences, would probably be identified for special education and related services under Minnesota Statutes, section 120.17. Learners may be provided services during extended school days or throughout the entire year.

Subd. 2. [PROPOSAL CONTENTS.] The proposal must set forth:

(1) a detailed description of the instructional services for eligible pupils, as defined in Minnesota Statutes, section 124.311, subdivision 3, and handicapped pupils, as defined in Minnesota Statutes, section 120.03;

(2) the specific criteria used to select individual learners for the program and the assessment procedures to be used to determine eligibility;

(3) a description of the methods used to involve parents of learners and parent or community special education advocates in the program;

(4) how the district's accounting procedures will document compliance with federal statutes and rules about supplanting and maintenance of effort;

(5) the type of planning that will occur in each building to involve regular and special education teachers who will implement and be affected by the program;

(6) a description of the program review and evaluation procedures to be implemented by the district that would address at least the following:

- (i) the number of handicapped and nonhandicapped students served;
 - (ii) student progress in the program;
 - (iii) the level of satisfaction teachers, parents, and learners have with the program;
 - (iv) the effect of the program on the number of referrals for special education;
 - (v) the amount of time spent by teachers in procedural activities;
 - (vi) the increase in the amount of time the learner is in a regular education classroom; and
 - (vii) cost implications; and
- (7) any other information requested by the commissioner.

Subd. 3. [REVIEW FOR EXCESS EXPENDITURES.] The commissioner shall review each proposal to determine whether the personnel, equipment, supplies, residential aid, and summer school are actually necessary and essential to meet the district's obligation to provide special instruction and services to handicapped children according to Minnesota Statutes, section 120.17. The commissioner shall not approve aid for any expenditures determined to be not necessary or essential.

Subd. 4. [ANNUAL REPORT.] Each year the district must submit to the commissioner a report containing the information set forth in Minnesota Statutes, section 124.311, subdivision 7.

Subd. 5. [RULE WAIVER.] To the extent a rule of the state board of education impedes implementation of an approved alternative delivery system, it is waived for the 1990-1991, 1991-1992, and 1992-1993 school years. The commissioner shall identify state board rules that are waived.

Subd. 6. [FEDERAL AND STATE STATUTES.] Nothing in this section shall be construed to alter the rights and duties of any learner, parent, or school district under federal or state statutes.

Subd. 7. [REVENUE AVAILABLE.] For fiscal year 1991, a district with an approved program shall receive the sum of the revenue it received for fiscal year 1990 for its special education program under Minnesota Statutes, sections 124.32, subdivisions 1b, 2, 5, and 10, except for summer school programs provided by contracting under subdivision 1d, and 275.125, subdivision 8c, multiplied by 1.03. For each of fiscal years 1992 and 1993, the amount to be paid to a district with an approved program shall be the amount paid for the previous fiscal year multiplied by 1.03.

For fiscal years 1991, 1992, and 1993, the ratio of aid payments for special education under Minnesota Statutes, section 124.32, subdivisions 1b, 2, 5, and 10, except for summer school programs provided by contracting under subdivision 1d, to the levy for special education salaries under Minnesota Statutes, section 275.125, subdivision 8c, shall be equal to the ratio for fiscal year 1990.

For fiscal year 1991, aid for a district with an approved program shall not be prorated.

For fiscal years 1991, 1992, and 1993, the state shall not pay a district with an approved program any aid under Minnesota Statutes, section 124.32, subdivisions 1b, 2, 5, and 10, except for summer school programs provided

by contracting under subdivision 1d, and the district may not levy under Minnesota Statutes, section 275.125, subdivision 8c, except for secondary vocational handicapped teacher salaries, limited English proficiency teacher salaries, deficiencies, and other adjustments.

Sec. 4. [EFFECTIVE DATE.]

Section 1 is retroactively effective July 1, 1989. Section 3 is effective the day following final enactment.

ARTICLE 4

COMMUNITY AND ADULT EDUCATION

Section 1. Minnesota Statutes 1989 Supplement, section 121.912, subdivision 1b, is amended to read:

Subd. 1b. [TRA AND FICA TRANSFER.] (a) Notwithstanding subdivision 1, a district shall transfer money from the general fund to the community ~~education~~ service fund for the employer contributions for teacher retirement and FICA obligations attributable to community education programs for employees who are members of a teacher retirement association and who are paid from the community service fund.

(b) A district shall not transfer money under paragraph (a) for employees who are paid with money other than normal operating funds, as defined in section 354.05, subdivision 27.

Sec. 2. Minnesota Statutes 1988, section 124.261, is amended to read:

124.261 [ADULT HIGH SCHOOL GRADUATION AID.]

Adult high school graduation aid for eligible pupils age 21 or over, equals ~~an allowance of~~ 65 percent of the general education formula allowance times 1.35 times the average daily membership under section 124.17, subdivision 2e. Adult high school graduation aid must be paid in addition to any other aid to the district. ~~Average daily membership of eligible Pupils must age 21 or over may not be used in the computation of pupil units under section 124.17, subdivision 1, counted by the district for any purpose other than the computation of adult high school graduation aid.~~

Sec. 3. Minnesota Statutes 1989 Supplement, section 126.22, subdivision 2, is amended to read:

Subd. 2. [ELIGIBLE PUPILS.] The following pupils are eligible to participate in the high school graduation incentives program:

(a) any pupil who, *except for eligibility under clause (6)*, is between the ages of 12 and 16 and who:

(1) is at least two grade levels below the performance level for pupils of the same age in a locally determined achievement test; or

(2) is at least one year behind in obtaining credits for graduation; or

(3) is pregnant or is a parent; or

(4) has been assessed as chemically dependent; or

(5) has been excluded or expelled according to sections 127.26 to 127.39; or

(6) *is between the ages of 12 and 21 and has been referred by a school district for enrollment in an eligible program or a program pursuant to*

section 126.23; *or*

(b) any pupil who is between the ages of 16 and 19 who is attending school, and who is at least two grade levels below the performance level for pupils of the same age in a locally determined achievement test, or is at least one year behind in obtaining credits for graduation, or is pregnant or is a parent, or has been assessed as chemically dependent; *or*

(c) any person between 16 and 21 years of age who has not attended a high school program for at least 15 consecutive school days, excluding those days when school is not in session, and who is at least two grade levels below the performance level for pupils of the same age in a locally determined achievement test, or is at least one year behind in obtaining credits for graduation, or is pregnant or is a parent, or has been assessed as chemically dependent; *or*

(d) any person who is at least 21 years of age and who:

(1) has received less than 14 years of public or nonpublic education, beginning at age 5;

(2) has already completed the studies ordinarily required in the 10th grade but has not completed the requirements for a high school diploma or the equivalent; and

(3) at the time of application, (i) is eligible for unemployment compensation benefits or has exhausted the benefits, (ii) is eligible for or is receiving income maintenance and support services, as defined in section 268.0111, subdivision 5, or (iii) is eligible for services under the displaced homemaker program, state wage-subsidy program, or any programs under the federal Jobs Training Partnership Act or its successor-; *or*

(e) *beginning with the 1989-1990 school year, any elementary school pupil who is determined by the district of attendance to be at risk of not succeeding at school; or*

(f) notwithstanding section 127.27, subdivision 7, the provisions of section 127.29, subdivision 1, do not apply to a pupil under age 21 who participates in the high school graduation incentives program.

Sec. 4. Minnesota Statutes 1989 Supplement, section 126.22, subdivision 3, is amended to read:

Subd. 3. [ELIGIBLE PROGRAMS.] (a) A pupil who is eligible according to subdivision 2, clause (a), (b), (c), ~~or~~ (d), *or* (e) may enroll in any program approved by the state board of education under Minnesota Rules, part 3500.3500, ~~including~~ *or* area learning centers under sections 129B.52 to 129B.55, or according to section 121.11, subdivision 12.

(b) A pupil who is eligible according to subdivision 2, clause (b), (c), or (d), may enroll in post-secondary courses under section 123.3514.

(c) A pupil who is eligible under subdivision 2, clause (a), (b), (c), ~~or~~ (d), *or* (e), may enroll in any public *elementary or* secondary education program. However, a person who is eligible according to subdivision 2, clause (d), may enroll only if the school board has adopted a resolution approving the enrollment.

(d) (1) A pupil who is eligible under subdivision 2, clause (a), (b), ~~or~~ (c), *or* (e), may enroll *part time or full time* in any nonprofit, nonpublic, nonsectarian school that has contracted with the school district of residence

to provide educational services.

(2) A pupil who is at least 16 years of age, who is eligible under subdivision 2, clause (a), (b), or (c), and who has been enrolled only in a public school, if the pupil has been enrolled in any school, during the year immediately before transferring under this paragraph, may transfer to any nonprofit, nonpublic school that has contracted with the school district of residence to provide nonsectarian educational services.

(e) An eligible institution providing eligible programs as defined in this subdivision may contract with an entity providing adult basic education programs under the community education program contained in section 121.88 for actual program costs.

Sec. 5. [EFFECTIVE DATE.]

Section 2 is retroactively effective July 1, 1989.

ARTICLE 5

FACILITIES

Section 1. Minnesota Statutes 1989 Supplement, section 124.243, subdivision 2, is amended to read:

Subd. 2. [CAPITAL EXPENDITURE FACILITIES REVENUE.] Capital expenditure facilities revenue for a district equals the lesser of:

(1) \$130 times its actual pupil units for the school year; or

(2) the difference between \$400 times the actual pupil units for the school year and the unreserved balance in the capital expenditure facilities account on June 30 of the ~~second~~ prior school year. For the purpose of determining revenue for the 1989-1990 and the 1990-1991 school years, the unreserved balance in the capital expenditure facilities account on June 30 of the ~~second~~ prior school year is zero.

Sec. 2. Minnesota Statutes 1989 Supplement, section 275.125, subdivision 11d, is amended to read:

Subd. 11d. [EXTRA CAPITAL EXPENDITURE LEVY FOR LEASING BUILDINGS.] When a district finds it economically advantageous to rent or lease a building *or site*, or to purchase a building and site under an installment purchase agreement, lease purchase agreement, or any other deferred payment agreement authorized under section 465.71, for any instructional purposes and it determines that the capital expenditure facilities revenues authorized under section 124.243 are insufficient for this purpose, it may apply to the commissioner for permission to make an additional capital expenditure levy for this purpose. An application for permission to levy under this subdivision must contain financial justification for the proposed levy, the terms and conditions of the proposed lease or agreement, and a description of the space to be leased or purchased according to any type of deferred payment agreement, and its proposed use. The criteria for approval of applications to levy under this subdivision must include: the reasonableness of the price, the appropriateness of the space to the proposed activity, the feasibility of transporting pupils to the building *or site*, conformity of the lease or agreement to the laws and rules of the state of Minnesota, and the appropriateness of the proposed lease or agreement to the space needs and the financial condition of the district. The commissioner must not authorize a levy under this subdivision in an

amount greater than the cost to the district of renting or leasing or purchasing a building *or site* for approved purposes. The proceeds of this levy must not be used for custodial or other maintenance services or to purchase a building newly constructed under an installment purchase agreement, lease purchase agreement, or any other deferred payment agreement authorized under section 465.71.

Sec. 3. Minnesota Statutes 1989 Supplement, section 326.03, subdivision 2, is amended to read:

Subd. 2. Nothing contained in sections 326.02 to 326.15 shall prevent persons from advertising and performing services such as consultation, investigation, or evaluation in connection with, or from making plans and specifications for, or from supervising, the erection, enlargement, or alteration of any of the following buildings:

(a) Dwellings for single families, and outbuildings in connection therewith, such as barns and private garages;

(b) Two family dwellings;

(c) Any farm building or accessory thereto; *or*

(d) Temporary buildings or sheds used exclusively for construction purposes, not exceeding two stories in height, and not used for living quarters; ~~or~~

~~(e) Any public work or public improvement done by a public body in this state where the cost of the work or improvement does not exceed \$100,000.~~

Sec. 4. [EFFECTIVE DATE.]

Section 3 is effective March 15, 1991.

ARTICLE 6

COOPERATIVE PROGRAMS

Section 1. Minnesota Statutes Second 1989 Supplement, section 121.904, subdivision 4a, is amended to read:

Subd. 4a. [LEVY RECOGNITION.] (a) "School district tax settlement revenue" means the current, delinquent, and manufactured home property tax receipts collected by the county and distributed to the school district, including distributions made pursuant to section 279.37, subdivision 7, and excluding the amount levied pursuant to sections 124.2721, subdivision 3; 124.575, subdivision 3; and 275.125, subdivision 9a; and Laws 1976, chapter 20, section 4.

(b) In June of each year, the school district shall recognize as revenue, in the fund for which the levy was made, the lesser of:

(1) the June and July school district tax settlement revenue received in that calendar year; or

(2) the sum of the state aids and credits enumerated in section 124.155, subdivision 2, which are for the fiscal year payable in that fiscal year plus 31.0 percent of the amount of the levy certified in the prior calendar year according to section 124A.03, subdivision 2, plus or minus auditor's adjustments, not including levy portions that are assumed by the state; or

(3) 31.0 percent of the amount of the levy certified in the prior calendar

year, plus or minus auditor's adjustments, not including levy portions that are assumed by the state, which remains after subtracting, by fund, the amounts levied for the following purposes:

(i) reducing or eliminating projected deficits in the reserved fund balance accounts for unemployment insurance and bus purchases;

(ii) statutory operating debt pursuant to section 275.125, subdivision 9a, and Laws 1976, chapter 20, section 4; and

(iii) retirement and severance pay pursuant to sections 124.2725, *subdivision 15*, 124.4945, and 275.125, subdivision 6a, and Laws 1975, chapter 261, section 4; and

(iv) amounts levied for bonds issued and interest thereon, amounts levied for debt service loans and capital loans, amounts levied for down payments under section 124.82, subdivision 3, amounts levied for education district bonds under section 122.96, subdivision 5, and amounts levied pursuant to section 275.125, subdivision 14a.

(c) In July of each year, the school district shall recognize as revenue that portion of the school district tax settlement revenue received in that calendar year and not recognized as revenue for the previous fiscal year pursuant to clause (b).

(d) All other school district tax settlement revenue shall be recognized as revenue in the fiscal year of the settlement. Portions of the school district levy assumed by the state, including prior year adjustments and the amount to fund the school portion of the reimbursement made pursuant to section 273.425, shall be recognized as revenue in the fiscal year beginning in the calendar year for which the levy is payable.

Sec. 2. Minnesota Statutes 1989 Supplement, section 122.241, subdivision 2, is amended to read:

Subd. 2. [COOPERATION REQUIREMENTS.] Cooperating districts shall:

(1) ~~have implement~~ a written agreement according to section 122.541 *no later than the first year of cooperation; and*

(2) all be members of one education district, if any one of the districts is a member; ~~and~~

~~(3) all be members of one ECSU, if any one of the districts is a member no later than the end of the second year of cooperation.~~

Sec. 3. Minnesota Statutes 1989 Supplement, section 122.241, subdivision 3, is amended to read:

Subd. 3. [COMBINATION REQUIREMENTS.] Combining districts must be contiguous and meet one of the following requirements at the time of combination:

(1) at least two districts with at least 400 resident pupils enrolled in grades 7 through 12 in the combined district and projections, approved by the department of education, of enrollment at least at that level for five years;

(2) at least two districts, both of which qualify for sparsity revenue under section 124A.22, subdivision 6, and have an average isolation index over 23; or

(3) at least three districts with fewer than 400 resident pupils enrolled in grades 7 through 12 in the combined district *and the combination is approved by the state board of education.*

A combination under clause (3) must be approved by the state board of education.

The state board may approve a combination under clause (1) of two districts with projected enrollments of fewer than 400 resident pupils enrolled in grades seven through 12 in the combined district if the state board determines that the combination would be in the best interests of the pupils of the two districts and that no other contiguous district is willing to enter into an agreement under this section with those two districts.

The state board shall disapprove a combination under clause (3) if the combination is educationally unsound or would not reasonably enable the districts to fulfill statutory and rule requirements.

Sec. 4. Minnesota Statutes 1989 Supplement, section 122.242, subdivision 10, is amended to read:

Subd. 10. [BUILDING SITES.] The plan must provide for:

(1) locations for elementary schools which need not be altered and may contain assurances that, to the extent feasible, elementary schools will be retained for at least the number of years specified in the plan; and

(2) one location, if possible, for a secondary school.

Notwithstanding sections 122.241, subdivision 2, and 122.541, subdivision 1, the state board may approve a plan for more than one location for a secondary school, according to criteria established by the board.

Sec. 5. Minnesota Statutes 1989 Supplement, section 122.243, subdivision 2, is amended to read:

Subd. 2. [VOTER APPROVAL.] During the *first or second* year of cooperation, a referendum on the question of combination shall be conducted. The referendum shall be on a date called by the school boards. The referendum shall be conducted by the school boards according to the Minnesota election law, as defined in section 200.01. If the referendum fails, the same question or a modified question may be submitted the following school year. If a question is submitted, the second referendum must be conducted on a date before October 1. If the referendum fails again, the same question may not be submitted. A different question may be submitted on any date before October 1. Referendums shall be conducted on the same date in all districts.

Sec. 6. Minnesota Statutes 1988, section 122.535, is amended by adding a subdivision to read:

Subd. 6. [SEVERANCE PAY.] *A district may pay severance pay to a teacher who is:*

(1) *placed on unrequested leave of absence by the district because the teacher's position is discontinued as a result of the agreement; and*

(2) *not employed by the district providing secondary instruction.*

The severance pay shall be equivalent to the teacher's salary for one year and is subject to section 465.72. The district may levy according to section 18 for the severance pay.

Sec. 7. Minnesota Statutes 1988, section 122.94, subdivision 5, is amended to read:

Subd. 5. [ATTENDANCE IN OTHER DISTRICTS.] (a) 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.

(b) *A pupil may also transfer according to section 120.062.*

Sec. 8. Minnesota Statutes 1989 Supplement, section 122.94, subdivision 6, is amended to read:

Subd. 6. [COMMON ACADEMIC CALENDAR.] For ~~1990-1991~~ 1991-1992 and later school years, the agreement must require a common academic calendar for all member districts of an education district. For purposes of this subdivision, a common academic calendar must include at least the following:

- (1) the number of days of instruction;
- (2) the first and last days of instruction in a school year; and
- (3) the specific days reserved for staff development.

Before the 1990-1991 school year, each education district must report to the state board of education on ways that other components of the academic calendar in each member district will affect the implementation of the five-year plan described in section 122.945. Other components include the length of the school day, the time the school day begins and ends, and the number of periods in the day.

Sec. 9. Minnesota Statutes 1989 Supplement, section 122.945, subdivision 2, is amended to read:

Subd. 2. [SUBMISSION AND APPROVAL OF FIVE-YEAR PLAN.] Each education district must submit a five-year plan developed according to subdivision 1 to the state board of education. An education district established before ~~January~~ November 1, ~~1990~~ 1989, must submit a plan to the state board by April 1, 1990. An education district established after ~~December 31~~ October 31, 1989, must submit a plan to the state board by ~~April~~ June 1 of the first year that the education district will certify the amount of education district revenue to be raised under section 124.2721. The board must approve or disapprove the plan within 60 days of receiving it from the education district.

Sec. 10. Minnesota Statutes 1988, section 123.3514, subdivision 6, is amended to read:

Subd. 6. [FINANCIAL ARRANGEMENTS.] At the end of each school year, the department of education shall pay the tuition reimbursement amount within 30 days to the post-secondary institutions for courses that were taken for secondary credit. The amount of tuition reimbursement shall equal the lesser of:

(1) the actual costs of tuition, textbooks, materials, and fees directly related to the course taken by the secondary pupil; or

(2) an amount equal to the difference between the basic revenue of the district for that pupil and an amount computed by multiplying the basic revenue of the district for that pupil by a ratio. The ratio to be used is the total number of hours that the pupil is enrolled in courses in the secondary school during the regular school year over the total number of secondary instructional hours per pupil in that pupil's resident district.

The amount paid for each pupil shall be subtracted from the general education aid paid to the pupil's ~~resident~~ district of attendance. If the amount to be subtracted is greater than the amount of general education aid due the district, the excess reduction shall be made from other state aids due to the district. If a pupil is enrolled in a course for post-secondary credit, the school district shall include the pupil in the average daily membership only for the portion of time during which the pupil is enrolled in courses at the secondary school and enrolled in courses at a post-secondary institution for secondary credit.

The department shall not pay any tuition reimbursement or other costs of a course taken for post-secondary credit only.

Sec. 11. Minnesota Statutes 1988, section 123.3514, subdivision 6b, is amended to read:

Subd. 6b. [FINANCIAL ARRANGEMENTS, PUPILS AGE 21 OR OVER.] At the end of each school year, the department of education shall pay the tuition reimbursement amount to the post-secondary institutions for courses taken to fulfill high school graduation requirements by pupils eligible for adult high school graduation aid. The amount of the tuition reimbursement equals the lesser of:

(1) the actual costs of tuition, textbooks, materials, and fees directly related to the course or program taken by the pupil; or

(2) an amount equal to the difference between the adult high school graduation aid attributable to that pupil and an amount computed by multiplying the adult high school graduation aid by the ratio of the total number of hours that the pupil is enrolled in courses in the secondary school during the regular school year over the total number of secondary instructional hours per pupil in that pupil's resident district.

The amount of tuition reimbursement paid for each pupil shall be subtracted from the adult high school graduation aid paid to the pupil's ~~resident~~ district of attendance. If a pupil is enrolled in a course for post-secondary credit, the school district shall include the pupil in average daily membership as computed under section 120.17, subdivision 1, only for the portion of time during which the pupil is enrolled in courses at the secondary school and enrolled in courses at the post-secondary institution for secondary credit.

The department must not pay any tuition reimbursement or other costs of a course taken for post-secondary credit only.

Sec. 12. Minnesota Statutes 1988, section 123.39, subdivision 6, is amended to read:

Subd. 6. The board may transport pupils residing outside of the district but attending school therein if these pupils present themselves within the

resident or nonresident district on one of the regular routes traveled in the transportation of the pupils of the district.

Sec. 13. Minnesota Statutes 1989 Supplement, section 123.58, subdivision 4, is amended to read:

Subd. 4. [MEMBERSHIP AND PARTICIPATION.] Full membership in an ECSU shall be limited to public school districts of the state but nonvoting associate memberships shall be available to nonpublic school administrative units within the ECSU. Participation in programs and services provided by the ECSU shall be discretionary. No school district shall be compelled to participate in these services under authority of this section. However, all school districts whose central administrative offices are within that ECSU whose boundaries coincide with those of development region 11 shall participate in the planning and planning research functions of that ECSU. ~~All of the members of an education district shall belong to the same ECSU, if any members belong to an ECSU.~~ No planning or planning research decision of that ECSU shall be binding on these region 11 districts. Nonpublic school students and personnel are encouraged to participate in programs and services to the extent allowed by law.

Sec. 14. Minnesota Statutes 1989 Supplement, section 124.2725, subdivision 13, is amended to read:

Subd. 13. [REVENUE FOR EXTENDED COOPERATION.] If the state board disapproves of the plan according to section 122.243, subdivision 1, or if a second referendum fails under section 122.243, subdivision 2, *revenues shall be determined under this subdivision beginning with the following fiscal year.* Cooperation and combination revenue shall equal \$60 times the actual pupil units. Cooperation and combination aid must be reduced by an amount equal to the aid paid under subdivision 6 ~~plus the difference between the aid paid under subdivision 5 for the first two years of the agreement and the aid that would have been paid if the revenue had been \$60 times the actual pupil units.~~ If the aid is insufficient to recover the entire amount, the department of education shall reduce other aids due the district to recover the entire amount. ~~The cooperation and combination levy shall be reduced by an amount equal to the difference between the levy for the first two years of the agreement and the levy that would have been authorized if the revenue had been \$60 times the actual pupil units.~~ A district that receives revenue under this subdivision may not also receive revenue according to sections 124.2721 and 124.575.

Sec. 15. Minnesota Statutes 1989 Supplement, section 124.2725, is amended by adding a subdivision to read:

Subd. 16. [COMBINATION AFTER ONE YEAR OF COOPERATION.] Notwithstanding subdivisions 4 and 5, revenue for districts that combine after one year of cooperation shall be the same as for districts that cooperate for two years. The first three years of combination shall be deemed to be the second year of cooperation and the first and second year of combination.

Sec. 16. Minnesota Statutes 1989 Supplement, section 124.2725, is amended by adding a subdivision to read:

Subd. 17. [EXCLUSION FROM FUND BALANCE.] Revenue under this section shall be excluded from the net unreserved operating fund balance for the purposes of section 124A.26.

Sec. 17. Minnesota Statutes 1988, section 124.494, is amended by adding a subdivision to read:

Subd. 7. [PROCEDURES FOR FUTURE GRANTS.] Sections 122.241 to 122.248 apply to grants awarded after July 1, 1990. To the extent a provision of this section is inconsistent with sections 122.241 to 122.248, it is without effect.

Sec. 18. Minnesota Statutes 1988, 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); 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 for severance pay authorized by section 6.

ARTICLE 7

OTHER EDUCATION PROGRAMS

Section 1. Minnesota Statutes 1989 Supplement, section 121.111, subdivision 1, is amended to read:

121.111 [OFFICE OF EDUCATIONAL LEADERSHIP]

Subdivision 1. [ESTABLISHMENT.] The commissioner shall maintain an office of educational leadership is established within the department of education. The purpose of the office is to assist school districts, education districts, and other education organizations in developing education policies that maximize the learning of all pupils.

Sec. 2. Minnesota Statutes 1989 Supplement, section 121.111, subdivision 2, is amended to read:

Subd. 2. [OFFICE STRUCTURE MANAGEMENT.] ~~The assistant commissioner of instructional effectiveness, in consultation with the assistant commissioner of development and partnership effectiveness, shall administer the office of educational leadership.~~ A director in the unclassified service appointed by the assistant commissioner of instructional effectiveness shall manage the office.

Sec. 3. Minnesota Statutes 1989 Supplement, section 123.33, subdivision 7, is amended to read:

Subd. 7. The board shall superintend and manage the schools of the district; adopt rules for their organization, government, and instruction; keep registers; and prescribe textbooks and courses of study. The board may ~~arrange~~ enter into an agreement with a post-secondary institution for secondary or post-secondary courses ~~for to be taught at a secondary pupils that are offered by a post-secondary institution school or a post-secondary~~

institution.

Sec. 4. Minnesota Statutes 1988, section 123.36, subdivision 5, is amended to read:

Subd. 5. The board may authorize the use of any schoolhouses in the district for divine worship, Sunday schools, public meetings, elections, *post-secondary instruction*, and ~~such~~ other community purposes *as that*, in its judgment, will not interfere with their use for school purposes; ~~but~~. Before permitting ~~such use any of these uses~~, the board may require a cash or corporate surety bond in a reasonable amount conditioned for the proper use of ~~such the schoolhouse~~, the payment of all rent, and the repair of all damage occasioned by ~~such the use~~; ~~and~~. It may *determine a reasonable charge and collect for the use of the district from the persons using such the schoolhouse such reasonable compensation as it may fix.*

It may authorize the use of any schoolhouses or buildings ~~in and of~~ *owned by* the district for ~~the holding of~~ primaries, elections, registrations, and ~~all action in connection therewith in such manner as in its judgment, related activities if the board determines that the use will not interfere with their use for school purposes.~~ It may impose ~~such~~ reasonable regulations and conditions upon ~~such the use as may seem necessary and proper.~~

Sec. 5. Minnesota Statutes 1988, section 123.9361, is amended to read:

123.9361 [ADMINISTRATIVE COSTS.]

Each year, a school district or intermediary service area may claim and receive from the department of education an additional sum for the ~~actual cost of administration of sections 123.933 and 123.935, which shall not exceed an amount~~ equal to five percent of the district's or area's allocation for that year pursuant to those sections.

Sec. 6. Minnesota Statutes 1988, section 123.947, is amended to read:

123.947 [RESTRICTIONS TO PREVENT IMPROPER USE OF INDIVIDUALIZED INSTRUCTIONAL MATERIALS.]

(a) The department of education shall assure that *textbooks and* individualized instructional materials loaned to nonpublic school pupils are secular, neutral, nonideological and that they are incapable of diversion for religious use.

(b) *Textbooks and* individualized instructional materials shall not be used in religious courses, devotional exercises, religious training or any other religious activity.

(c) *Textbooks and* individualized instructional materials shall be loaned only to individual pupils upon the request of a parent or guardian or the pupil on a form designated for this use by the department of education. The request forms shall provide for verification by the parent or guardian or pupil that the requested *textbooks and* individualized instructional materials are for the use of the individual pupil in connection with a program of instruction in the pupil's elementary or secondary school.

(d) ~~The department of education or the~~ servicing school district or the intermediary service area shall take adequate measures to ensure an accurate and periodic inventory of all *textbooks and* individualized instructional materials loaned to elementary and secondary school pupils attending nonpublic schools. The state board of education shall promulgate rules under the provisions of chapter 14 to terminate the eligibility of any nonpublic

school pupil if the department or the servicing school district or intermediary service area of education determines, after notice and opportunity for hearing, that the textbooks or individualized instructional materials have been used in a manner contrary to the provisions of section 123.932, subdivision 1e, 123.933 or this section or any rules promulgated by the state board of education.

(e) Nothing contained in section 123.932, subdivision 1e, 123.933 or this section shall be construed to authorize the making of any payments to a nonpublic school or its faculty, staff or administrators for religious worship or instruction or for any other purpose.

Sec. 7. [125.188] [ALTERNATIVE PREPARATION LICENSING.]

Subdivision 1. [REQUIREMENTS.] (a) A preparation program that is an alternative to the post-secondary teacher preparation program as a means to acquire an entrance license is established. The program may be offered in any instructional field.

(b) To participate in the alternative preparation program, the candidate must:

(1) have a bachelor's degree;

(2) pass an examination of skills in reading, writing, and mathematics as required by section 125.05;

(3) have been offered a job to teach in a school district, group of districts, or an education district approved by the board of teaching to offer an alternative preparation licensure program;

(4)(i) have a college major in the subject area to be taught; or

(ii) have five years of experience in a field related to the subject to be taught; and

(5) document successful experiences working with children.

(c) An alternative preparation license is of one year duration and is issued by the board of teaching to participants on admission to the alternative preparation program.

Subd. 2. [CHARACTERISTICS.] The alternative preparation program has the following characteristics:

(1) staff development conducted by a resident mentorship team made up of administrators, teachers, and post-secondary faculty members;

(2) an instruction phase involving intensive preparation before assuming responsibility for a classroom;

(3) formal instruction and peer coaching during the school year;

(4) assessment, supervision, and evaluation of a candidate to determine the candidate's specific needs and to try to ensure satisfactory completion of the program;

(5) a research based and results oriented approach focused on skills teachers need to be effective;

(6) assurance of integration of education theory and classroom practices; and

(7) the shared design and delivery of staff development between school

district personnel and post-secondary faculty.

Subd. 3. [PROGRAM APPROVAL.] (a) The board of teaching shall approve alternative preparation programs based on criteria adopted by the board, after receiving recommendations from an advisory task force appointed by the board.

(b) An alternative preparation program at a school district, group of schools, or an education district must be affiliated with a post-secondary institution that has a teacher preparation program.

Subd. 4. [APPROVAL FOR STANDARD ENTRANCE LICENSE.] The resident mentorship team must prepare for the board of teaching an evaluation report on the performance of the alternative preparation licensee during the school year and a positive or negative recommendation on whether the alternative preparation licensee shall receive a standard entrance license.

Subd. 5. [STANDARD ENTRANCE LICENSE.] The board of teaching shall issue a standard entrance license to an alternative preparation licensee who has successfully completed the school year in the alternative preparation program and who has received a positive recommendation from the licensee's mentorship team.

Subd. 6. [QUALIFIED TEACHER.] A person with a valid alternative preparation license is a qualified teacher within the meaning of section 125.04.

Sec. 8. Minnesota Statutes 1988, section 125.231, subdivision 6, is amended to read:

Subd. 6. [REPORT TO THE LEGISLATURE.] By January 1, ~~1988~~ 1991, the commissioner of education shall report to the legislature on how the teacher mentoring task force recommendations are being implemented for a system of incentives at the state and local level to assure that highly capable individuals are attracted to and retained in the teaching profession and for ways in which the roles of teachers can be expanded to be different and more professional.

By January 1 of ~~1989~~ and 1990 and 1991, the commissioner of education shall report to the legislature on the design, development, implementation, and evaluation of the mentorship program.

Sec. 9. Minnesota Statutes 1989 Supplement, section 129.128, is amended to read:

129.128 [COMMISSIONER DIRECTOR TO REPORT ON LEAGUE TO LEGISLATURE.]

Subdivision 1. [ANNUALLY ANNUAL REPORT.] ~~The commissioner of education~~ *executive director* must report to the legislature before each regular session on the activities of the league.

Subd. 2. [URGE NEEDED LAWS RECOMMEND LEGISLATION.] ~~The commissioner~~ *executive director* must recommend to the legislature whether any legislation is made necessary by league activities.

Sec. 10. Laws 1989, chapter 329, article 11, section 15, subdivision 2, is amended to read:

Subd. 2. [TEACHER MENTORSHIP.] *(a) For grants* To develop mentoring programs in school districts according to Minnesota Statutes, section

125.231:

\$250,000 1990

\$250,000 1991

Any unexpended balance in the first year does not cancel and is available for the second year.

(b) Of the amounts in paragraph (a), \$110,000 each year is to provide approximately \$10,000 each year for each existing demonstration site to refine its program and disseminate services and materials to schools that are interested in developing a mentoring program. The pilot sites must provide exemplary mentoring processes and assist the department of education in working with new sites that are planning to adopt or adapt specific mentorship programs or components of those programs. The department shall encourage cooperation with career teacher programs.

(c) Of the amounts in paragraph (a), \$90,000 each year is for start-up money of up to \$5,000 each for a minimum of 18 new districts or groups of districts to adopt or adapt an existing mentorship program for five or more probationary teachers. The criteria and process in Minnesota Statutes, section 125.231, subdivisions 3 and 4, must be used. Participants from the adoption grant sites must attend regional and statewide training sessions and visit and collaborate with the exemplary sites.

(d) Of the amounts in paragraph (a), \$50,000 each year is to evaluate the program, to put on regional and statewide events, including conferences, seminars, and for meetings to provide staff development and technical assistance for district teams funded to adopt or adapt components implemented by existing pilot sites. The events must be available to districts interested in developing a mentorship program without applying for an adoption grant. The department may contract with districts having exemplary sites and others to develop guidelines and materials and provide staff development. Fees may be charged for meals, materials, and the like.

Sec. 11. Laws 1989, chapter 329, article 11, section 15, subdivision 12, is amended to read:

Subd. 12. [ACADEMIC EXCELLENCE FOUNDATION.] For the academic excellence foundation according to Minnesota Statutes, section 121.612:

\$160,000 1990

\$160,000 1991

Up to \$50,000 each year is contingent upon the department's receipt match of \$1 from private sources, consisting of either direct or in-kind contributions of money, related goods, or services, for each \$1 of the appropriation. The commissioner of education must certify receipt of the money or documentation for the private matching funds or in-kind contributions. The unencumbered balance from the amount actually appropriated from the contingent amount in 1990 does not cancel but is available in 1991. The amount carried forward must not be used to establish a larger annual base appropriation for later fiscal years.

Sec. 12. [SHAKOPEE; 1991 AID CALCULATIONS.]

Subdivision 1. [ADJUSTMENTS.] For purposes of determining state aids for taxes payable in 1991, the fiscal disparity prior year adjustments in the city of Shakopee for taxes payable years 1986, 1987, and 1988 shall not be

recognized.

Subd. 2. [LOCAL APPROVAL.] Subdivision 1 is effective the day following compliance by the Shakopee city council with Minnesota Statutes, section 645.021, subdivision 2.

Sec. 13. [1989-1990 ABATEMENT AID.]

If a district qualifies for:

(1) general education aid for fiscal year 1990 only because of Laws 1989, chapter 329, article 1, section 6; or

(2) early childhood family education aid for fiscal year 1990 only because of Laws 1989, chapter 329, article 4, section 11; or

(3) community education aid only because of Laws 1989, chapter 329, article 4, section 12, subdivision 3a;

it does not qualify for abatement aid for fiscal year 1990 under Minnesota Statutes, section 124.214, subdivision 2.

Sec. 14. [EFFECTIVE DATE.]

Sections 10 and 11 are effective the day following final enactment.

ARTICLE 8

MISCELLANEOUS

Section 1. Minnesota Statutes 1989 Supplement, section 10A.01, subdivision 18, is amended to read:

Subd. 18. "Public official" means any:

- (a) member of the legislature;
- (b) constitutional officer in the executive branch and the officer's chief administrative deputy;
- (c) member, chief administrative officer or deputy chief administrative officer of a state board or commission which has at least one of the following powers: (i) the power to adopt, amend or repeal rules, or (ii) the power to adjudicate contested cases or appeals;
- (d) commissioner, deputy commissioner, or assistant commissioner of any state department as designated pursuant to section 15.01;
- (e) individual employed in the executive branch who is authorized to adopt, amend or repeal rules or adjudicate contested cases;
- (f) executive director of the state board of investment;
- (g) executive director of the Indian affairs intertribal board;
- (h) commissioner of the iron range resources and rehabilitation board;
- (i) commissioner of mediation services;
- (j) deputy of any official listed in clauses (e) to (i);
- (k) judge of the workers' compensation court of appeals;
- (l) administrative law judge or compensation judge in the state office of administrative hearings or referee in the department of jobs and training;
- (m) solicitor general or deputy, assistant or special assistant attorney

general;

(n) individual employed by the legislature as secretary of the senate, legislative auditor, chief clerk of the house, revisor of statutes, or ~~researcher~~ *legislative analyst* or attorney in the office of senate research, senate counsel, or house research;

(o) member or chief administrative officer of the metropolitan council, regional transit board, metropolitan transit commission, metropolitan waste control commission, metropolitan parks and open spaces commission, metropolitan airports commission or metropolitan sports facilities commission;

(p) the commissioner of gaming and director of each division in the department of gaming and the deputy director of the division of state lottery;
OF

(q) director of the division of gambling enforcement in the department of public safety;

(r) *member or executive director of the higher education facilities authority; or*

(s) *member of the board of directors or president of the Minnesota world trade center corporation.*

Sec. 2. Minnesota Statutes 1989 Supplement, section 121.612, subdivision 3, is amended to read:

Subd. 3. [BOARD OF DIRECTORS.] The board of directors of the foundation shall consist of the commissioner of education, a member of the state board of education selected by the state board who shall serve as chair and ~~15~~ 20 members to be appointed by the governor. Of the ~~15~~ 20 members appointed by the governor, ~~six~~ eight shall represent ~~various~~ a variety of education groups and ~~nine~~ 12 shall represent ~~various~~ a variety of business groups. The commissioner of education shall serve as secretary for the board of directors and provide administrative support to the foundation. An executive committee of the foundation board composed of the board officers and chairs of board committees, may only advise and make recommendations to the foundation board.

Sec. 3. Minnesota Statutes 1989 Supplement, section 121.612, subdivision 5, is amended to read:

Subd. 5. [POWERS AND DUTIES.] The foundation may:

(1) establish and collect membership fees;

(2) publish brochures or booklets relating to the purposes of the foundation and collect reasonable fees for the publications;

(3) receive money ~~and~~, grants, *and in-kind goods or services* from non-state sources for the purposes of the foundation;

(4) contract with consultants; and

(5) expend money for awards and other forms of recognition and appreciation.

Sec. 4. Minnesota Statutes 1988, section 123.34, subdivision 10, is amended to read:

Subd. 10. Each *public* school building ~~or unit of classification~~, as ~~designated~~ *defined* by section 120.05, subdivision 2, clauses (1), (2) and

(3), in an independent school district shall be under the supervision of a principal who is assigned to that responsibility by the board of education in that school district upon the recommendation of the superintendent of schools of that school district.

Each principal assigned the responsibility for the supervision of a school building ~~or units of classification~~ shall hold valid certification in the assigned position of supervision and administration as established by the rules of the state board of education.

The principal shall provide administrative, supervisory and instructional leadership services, under the supervision of the superintendent of schools of the school district and in accordance with the policies, rules and regulations of the board of education, for the planning, management, operation and evaluation of the education program of the building or buildings to which the principal is assigned.

Sec. 5. Minnesota Statutes 1988, section 123.37, subdivision 1, is amended to read:

Subdivision 1. No contract for work or labor, or for the purchase of furniture, fixtures, or other property, except books registered under the copyright laws, or for the construction or repair of school houses, the estimated cost or value of which shall exceed that specified in section 471.345, subdivision 3, shall be made by the school board without first advertising for bids or proposals by two weeks' published notice in the official newspaper. This notice shall state the time and place of receiving bids and contain a brief description of the subject matter.

Additional publication in the official newspaper or elsewhere may be made as the board shall deem necessary.

After taking into consideration conformity with the specifications, terms of delivery, and other conditions imposed in the call for bids, every such contract shall be awarded to the lowest responsible bidder, be duly executed in writing, and be otherwise conditioned as required by law. The person to whom the contract is awarded shall give a sufficient bond to the board for its faithful performance. *Notwithstanding section 574.26 or any other law to the contrary, on a contract limited to the purchase of a finished tangible product, a school board may require, at its discretion, a performance bond of a contractor in the amount the board considers necessary.* A record shall be kept of all bids, with names of bidders and amount of bids, and with the successful bid indicated thereon. A bid containing an alteration or erasure of any price contained in the bid which is used in determining the lowest responsible bid shall be rejected unless the alteration or erasure is corrected as herein provided. An alteration or erasure may be crossed out and the correction thereof printed in ink or typewritten adjacent thereto and initialed in ink by the person signing the bid. In the case of identical low bids from two or more bidders, the board may, at its discretion, utilize negotiated procurement methods with the tied low bidders for that particular transaction, so long as the price paid does not exceed the low tied bid price. In the case where only a single bid is received, the board may, at its discretion, negotiate a mutually agreeable contract with the bidder so long as the price paid does not exceed the original bid. If no satisfactory bid is received, the board may readvertise. Standard requirement price contracts established for supplies or services to be purchased by the district shall be established by competitive bids. Such standard requirement price contracts may contain escalation clauses and may provide for a negotiated

price increase or decrease based upon a demonstrable industrywide or regional increase or decrease in the vendor's costs. Either party to the contract may request that the other party demonstrate such increase or decrease. The term of such contracts shall not exceed two years with an option on the part of the district to renew for an additional two years. Provided that in the case of purchase of perishable food items except milk for school lunches and vocational training programs a contract of any amount may be made by direct negotiation by obtaining two or more written quotations for the purchase or sale, when possible, without advertising for bids or otherwise complying with the requirements of this section or section 471.345, subdivision 3. All quotations obtained shall be kept on file for a period of at least one year after receipt thereof.

Every contract made without compliance with the provisions of this section shall be void. Provided, that in case of the destruction of buildings or injury thereto, where the public interest would suffer by delay, contracts for repairs may be made without advertising for bids.

Sec. 6. [123.511] [CHARTERED SCHOOLS.]

Subdivision 1. [DEFINITION.] A charter is a binding agreement between a school district or the state board of education and parents, educators, and others to establish and operate a public school to provide innovative learning opportunities for children. A chartered school is a public school. The courses of study shall meet the state standards for similar courses in school districts unless a waiver has been granted by the state board of education.

Subd. 2. [AUTHORIZATION.] Five school districts may grant a charter for a school according to this section. After June 30, 1993, the state board of education, according to criteria and procedures adopted by the board, may grant a charter to an applicant if five school districts have not granted a charter.

Subd. 3. [APPLICATION.] An application for a chartered school may be submitted by a group of teachers, administrators, or parents. A full- or part-time program may be chartered. The chartered school may be within an existing school or any other location in the district. An application must include at least the following:

(1) a statement of purpose that addresses the way in which the school would provide innovative learning opportunities for children;

(2) a structure for the governance of the school that includes joint decision making by parents, teachers, administrators, and other people associated with the school;

(3) a budget and plan for the financial operation of the school;

(4) identified learner outcomes and methods of assessment and evaluation;

(5) an explanation of the children expected to enroll in the school and methods of providing information about the school to the children and their parents; and

(6) evidence of an agreement with all of the bargaining units that bargain with the district about employment procedures for the chartered school.

Subd. 4. [NOTIFICATION TO APPLICANTS.] The school board must notify an applicant within 90 days of receiving the application whether or not a charter is granted. If the charter is rejected, the notice must include

specific reasons for the rejection. An application may not be resubmitted until one year after rejection.

Subd. 5. [OPERATION OF A CHARTERED SCHOOL.] The governing body of the chartered school shall manage the school and share authority and responsibility for providing instruction and educational services. The governing body may adopt rules for its operation, instruction, and records, and prescribe textbooks and courses of study.

Subd. 6. [CHARTER MODIFICATION.] A charter may be modified at any time by a resolution of both the governing body of the chartered school and the board that granted the charter.

Subd. 7. [DURATION.] The duration of a charter is perpetual, except that the governing body of a chartered school may relinquish the charter at any time.

Subd. 8. [REVOCATION.] A charter may be revoked at any time by the school board for the following reasons:

- (1) violation of the law;*
 - (2) violation of the charter;*
 - (3) mismanagement;*
 - (4) insolvency;*
 - (5) loss of accreditation;*
 - (6) poor overall pupil performance as measured against pupil outcomes;*
- or*

(7) failure to meet accountability provisions of the charter. In lieu of revocation, the board may accept a plan to meet the accountability provisions.

Subd. 9. [ACCREDITATION.] A chartered school must meet the accreditation standards of an accrediting body approved by the state board within three years of being chartered.

Subd. 10. [INCORPORATION.] A chartered school must be incorporated under chapter 317.

Subd. 11. [WAIVER OF RULES.] The state board of education, upon receiving evidence that learning opportunities for pupils would be enhanced by the chartered school, may grant a waiver to a chartered school from any rule established by the board.

Subd. 12. [CHARTERED SCHOOL TEACHERS.] Teachers employed by the chartered school are included within the appropriate unit of the school district for purposes of chapter 179A.

Subd. 13. [CHARTER PROVISIONS.] The charter must provide for the following, as agreed upon by the charter granting board and the governing body of the chartered school:

- (1) accountability measures for the school and procedures for the charter granting board to make recommendations to the school when the board determines improvements are needed;*
- (2) financial arrangements, including state and federal aids, levy revenues, and other sources of revenue;*
- (3) responsibilities for providing transportation;*

(4) responsibilities for liability and casualty insurance coverage; and
(5) other arrangements and procedures as determined by the charter granting board and the governing body of the school.

Sec. 7. Minnesota Statutes 1989 Supplement, section 124.6472, subdivision 2, is amended to read:

Subd. 2. [EXEMPTION.] Subdivision 1 does not apply to a school in which fewer than 25 pupils are expected to take part in the program. *It also does not apply to a school district that does not participate in the national school lunch program.*

Sec. 8. [126.112] [MINNESOTA EDUCATION IN AGRICULTURE COUNCIL.]

Subdivision 1. [ESTABLISHMENT.] The Minnesota education in agriculture council is established to promote education about agriculture.

Subd. 2. [GOVERNANCE.] The council is governed by an executive council board of directors. The board must be appointed by the governor and have 12 members. One member must be appointed from each congressional district and the remaining members must be appointed at large. Board terms and removal of members are as provided in section 15.0575. Board members shall not receive compensation or expenses, notwithstanding section 15.0575, subdivision 3, or 15.059, subdivision 3. The board may organize and appoint committees as it considers necessary.

Sec. 9. Laws 1989, chapter 202, section 6, subdivision 7, is amended to read:

Subd. 7. [PROCEDURES AND RECOMMENDATIONS.] The board shall review and evaluate all proposals and adopt recommendations. The board may recommend rejection of all proposals. The board shall submit its recommendations and copies of proposals to the commissioner of finance. The commissioner of finance ~~shall~~ *may* contract with an independent evaluator to provide an independent market valuation of the corporation. The commissioner of finance shall review the recommendations of the board and ~~the~~ *any* independent evaluation. The commissioner of finance shall submit the recommendations of the board of directors, ~~the~~ *any* independent evaluation, and the recommendations of the commissioner of finance to the legislative auditor. The legislative auditor shall review the recommendations of the board of directors and the commissioner of finance and ~~the~~ *any* independent evaluation and make its recommendations.

Sec. 10. Laws 1989, chapter 202, section 6, subdivision 8, is amended to read:

Subd. 8. [REPORT TO THE LEGISLATURE.] By January 15, 1990, the recommendations of the board of directors, the commissioner of finance, and the legislative auditor, and ~~the~~ *any* independent evaluation shall be submitted to the education committees of the legislature.

Sec. 11. [BADGER SCHOOL DISTRICT BORROWING.]

Subdivision 1. [BORROWING AGAINST TAXES PAYABLE.] Independent school district No. 676, Badger, may borrow money for the purpose of anticipating general taxes previously levied by the district for school purposes, including taxes on which penalties for nonpayment or delinquency have accrued. Minnesota Statutes, sections 124.71 to 124.76, apply to the borrowing except as provided in this subdivision.

Subd. 2. [NO LOCAL APPROVAL.] According to Minnesota Statutes, section 645.023, subdivision 1, clause (a), subdivision 1 is effective the day following final enactment without local approval.

Sec. 12. [EFFECTIVE DATE.]

Sections 2, 3, and 5 are effective the day following final enactment.

ARTICLE 9

STATE EDUCATION AGENCIES

Section 1. Minnesota Statutes 1989 Supplement, section 129C.10, is amended by adding a subdivision to read:

Subd. 7. [PURCHASING INSTRUCTIONAL ITEMS.] Technical educational equipment may be procured for programs of the Minnesota center for arts education by the board either by brand designation or in accordance with standards and specifications the board may adopt, notwithstanding chapter 16B.

Sec. 2. Laws 1989, chapter 329, article 12, section 11, is amended to read:

Sec. 11. [MINNESOTA CENTER FOR ARTS EDUCATION.]

Total Appropriations	\$ 5,800,000	\$ 6,200,000
Approved Complement -	1990	1991
General Fund -	39.0	49-0 53.0
Total -	39.0	49-0 53.0

The state complement for the Minnesota center for arts education is increased by 18.0 for the first year and ~~28-0~~ 32.0 the second year.

Any expended balance from the appropriation in this section in 1990 does not cancel but is available in 1991.

Sec. 3. [TASK FORCE ON MATHEMATICS, SCIENCE, TECHNOLOGY, AND INTERNATIONAL EDUCATION.]

Subdivision 1. [MEMBERSHIP] The governor's task force on mathematics, science, technology, and international education shall be comprised of members appointed by the governor, two members appointed by the speaker of the house of representatives, and two members appointed by the subcommittee on committees of the committee on rules and administration of the senate. Either or both members appointed by the speaker and the subcommittee may be members of the legislature or public members.

Subd. 2. [TASK FORCE DUTIES.] The governor's task force shall:

(1) assess the current state of mathematics, science, and technology education in Minnesota;

(2) review local, state, federal, and international efforts to improve mathematics, science, and technology education;

(3) study the effectiveness of education programs, including specialized programs in other states, in meeting the scientific, mathematical, and technological education needs of academic, private sector, and research and development organizations;

(4) recommend short- and long-range methods to improve mathematics, science, technology, and international education in Minnesota;

(5) study the feasibility of a resource center and school for mathematics, science, technology, and international education in Minnesota; and

(6) study and make recommendations for integrating international education and world languages with the study of mathematics, science, and technology.

Subd. 3. [MISCELLANEOUS.] The task force shall conduct at least four meetings in greater Minnesota.

The task force may appoint staff as necessary who shall be in the unclassified service. The commissioner of education shall provide office space for the task force staff at no charge to the task force.

Minnesota Statutes, section 15.059, subdivisions 4 and 6, apply to the task force. The task force shall terminate on June 30, 1991.

Subd. 4. [REPORTS.] The task force shall submit a report of its activities to the legislative commission on public education by December 31, 1990. It shall submit a report and recommendations to the education committees of the legislature by January 15, 1991.

Sec. 4. [EFFECTIVE DATE FOR CERTAIN TEACHER EXAMS.]

Notwithstanding any law to the contrary, successful completion of an examination of skills in reading, writing, and mathematics, as required by Minnesota Statutes, section 125.05, subdivision 1, is applicable for all persons applying for initial secondary vocational teaching licenses effective April 8, 1991.

Sec. 5. [CARRYOVER OF LEARNER OUTCOME APPROPRIATION.]

Any unexpended fund balance remaining from the amount designated for fiscal year 1990 for identification and integration of learner outcomes, including the amount designated for fiscal year 1990 for the identification and development of vocational career learner outcomes, does not cancel and is available for fiscal year 1991. The amounts carried forward may not be used to establish a larger annual base appropriation for future fiscal years."

Delete the title and insert:

"A bill for an act relating to education; making certain changes to the cooperation and combination program, transportation, education districts, the center for arts education, teacher mentorship programs, and private proprietary school regulation; establishing alternative preparation licensure; allowing alternate delivery of specialized instructional services; expanding the high school graduation incentives program; requiring severance pay in certain situations; providing for secondary and post-secondary instruction agreements; authorizing chartered schools; establishing a task force on mathematics, science, technology, and international education; allowing certain appropriations to be carried over and used for certain purposes; amending Minnesota Statutes 1988, sections 120.73, subdivision 1; 122.535, by adding a subdivision; 122.94, subdivision 5; 123.34, subdivision 10; 123.3514, subdivisions 6 and 6b; 123.36, subdivision 5; 123.37, subdivision 1; 123.39, subdivisions 1 and 6; 123.9361; 123.947; 124.17, subdivision 1b; 124.261; 124.494, by adding a subdivision; 125.231, subdivision 6; and 275.125, subdivision 4; Minnesota Statutes 1989 Supplement, sections 10A.01, subdivision 18; 121.111, subdivisions 1 and 2;

121.612, subdivisions 3 and 5; 121.912, subdivision 1b; 122.241, subdivisions 2 and 3; 122.242, subdivision 10; 122.243, subdivision 2; 122.94, subdivision 6; 122.945, subdivision 2; 123.33, subdivision 7; 123.58, subdivision 4; 124.19, subdivision 7; 124.223; 124.225, subdivisions 1 and 8k; 124.243, subdivision 2; 124.2725, subdivision 13, and by adding subdivisions; 124.6472, subdivision 2; 126.22, subdivisions 2 and 3; 129.128; 129C.10, by adding a subdivision; 141.35; 275.125, subdivisions 5e and 11d; and 326.03, subdivision 2; Minnesota Statutes Second 1989 Supplement, sections 121.904, subdivision 4a; 124A.03, subdivision 2; and 124A.26, subdivision 1; amending Laws 1989, chapters 202, section 6, subdivisions 7 and 8; and 329, articles 11, section 15, subdivisions 2 and 12; and 12, section 11; proposing coding for new law in Minnesota Statutes, chapters 123; 125; and 126.”

The motion prevailed. So the amendment was adopted.

Mr. Peterson, R.W. then moved to amend the first Peterson, R.W. amendment to H.F. No. 2200, adopted by the Senate April 2, 1990, as follows:

Page 6, after line 24, insert:

“Sec. 3. Minnesota Statutes 1988, section 123.39, is amended by adding a subdivision to read:

Subd. 8e. School districts may provide bus transportation along school bus routes established to provide nonregular transportation as defined in section 124.225, subdivision 1, paragraph (e)(2)(ii), when space is available, for pupils attending programs at an area learning center. The transportation is only permitted between schools and if it does not increase the district's expenditures for transportation. The cost of these services shall be considered part of the authorized cost for nonregular transportation for the purpose of section 124.225.”

Renumber the sections of article 2 in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment to the amendment was adopted.

Mr. Peterson, R.W. then moved to amend the first Peterson, R.W. amendment to H.F. No. 2200, adopted by the Senate April 2, 1990, as follows:

Page 22, line 11, delete the new language

Page 22, line 12, after “16” insert “, except as indicated in clause (6),”

Page 23, line 4, strike “less” and insert “fewer”

Page 23, line 16, reinstate the stricken period and delete “; or”

Page 23, delete lines 17 to 19

Page 23, line 20, delete “(f)”

Page 23, after line 23, insert:

“(e) An elementary school pupil who is determined by the district of attendance to be at risk of not succeeding in school is eligible to participate in the program.”

Page 24, after line 22, insert:

"Sec. 5. Minnesota Statutes 1989 Supplement, section 126.22, subdivision 8, is amended to read:

Subd. 8. [ENROLLMENT VERIFICATION.] *For a pupil attending an eligible program full-time under subdivision 3, paragraph (d), the department of education shall pay 85 percent of the basic revenue of the district to the eligible program and 15 percent of the basic revenue to the resident district within 30 days after the eligible program verifies enrollment verification. The department of education shall provide a form for the eligible program to use for enrollment verification using the form provided by the department. For a pupil attending an eligible program part-time, basic revenue shall be reduced proportionately, according to the amount of time the pupil attends the program, and the payments to the eligible program and the resident district shall be reduced accordingly. A pupil for whom payment is made according to this section may not be counted by any district for any purpose other than computation of basic revenue, according to section 124A.22, subdivision 2. If payment is made for a pupil under this subdivision, a school district shall not reimburse a program under section 126.23 for the same pupil.*

Sec. 6. Minnesota Statutes 1989 Supplement, section 126.23, is amended to read:

126.23 [AID FOR PRIVATE ALTERNATIVE PROGRAMS.]

If a pupil enrolls in a nonsectarian alternative program operated by a private organization that has contracted with a school district to provide educational services for high school dropouts or other eligible students pupils under section 126.22, subdivision 2, the resident district must reimburse the provider an amount equal to at least 85 percent of the basic revenue of the district for each pupil attending the program full-time. For a pupil attending the program part-time, basic revenue paid to the program shall be reduced proportionately, according to the amount of time the pupil attends the program, and basic revenue paid to the district shall be reduced accordingly. Pupils for whom a district provides reimbursement may not be counted by the district for any purpose other than computation of basic revenue, according to section 124A.22, subdivision 2. If payment is made to a district or program for a pupil under this section, the department of education shall not make a payment for the same pupil under section 126.22, subdivision 8."

Page 24, line 24, delete "Section" and insert "Sections" and delete "is" and insert ", 3, clause (e), 5, and 6 are"

Renumber the sections of article 4 in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment to the amendment was adopted.

Mr. Peterson, R. W. then moved to amend the first Peterson, R. W. amendment to H.F. No. 2200, adopted by the Senate April 2, 1990, as follows:

Page 43, after line 13, insert:

"Section 1. Minnesota Statutes 1989 Supplement, section 6.65, is amended to read:

6.65 [MINIMUM PROCEDURES FOR AUDITORS, PRESCRIBED.]

The state auditor shall prescribe minimum procedures and the audit scope for auditing the books, records, accounts, and affairs of local governments in Minnesota. The minimum scope for audits of all local governments must include financial and legal compliance audits for fiscal years ending after January 15, 1984. *Audits of all school districts shall include a determination of compliance with uniform financial accounting and reporting standards adopted by the state board of education according to section 121.902, subdivision 1.* The state auditor shall establish a task force to promulgate an audit guide for legal compliance audits. The task force must include representatives of the state auditor, the attorney general, towns, cities, counties, school districts, and private sector public accountants."

Page 45, after line 19, insert:

"Sec. 4. Minnesota Statutes 1988, section 121.908, subdivision 3, is amended to read:

Subd. 3. By December 31 of the calendar year of the submission of the unaudited financial statement, the district shall provide to the commissioner and state auditor an audited financial statement prepared in a form which will allow comparison with and correction of material differences in the unaudited statement. *The audited financial statement must also provide a statement of assurance pertaining to uniform financial accounting and reporting standards compliance.*"

Renumber the sections of article 8 in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment to the amendment was adopted.

Mr. Peterson, R.W. then moved to amend the first Peterson, R.W. amendment to H.F. No. 2200, adopted by the Senate April 2, 1990, as follows:

Page 44, line 10, reinstate the stricken "researcher" and before "legislative" insert a comma and after "analyst" insert a comma

Page 44, line 11, before "research" insert "counsel and" and strike "senate counsel,"

Page 48, line 15, after "or" insert "at"

The motion prevailed. So the amendment to the amendment was adopted.

Mr. Pehler moved to amend the first Peterson, R.W. amendment to H.F. No. 2200, adopted by the Senate April 2, 1990, as follows:

Page 40, after line 28, insert:

"Sec. 9. Minnesota Statutes 1988, section 126.12, subdivision 2, is amended to read:

Subd. 2. ~~Except for technical institutes, every Saturday shall be a school holiday, except that school may be held on a Saturday if necessary to meet the requirement in section 124.19 of making a good faith attempt to make up time lost on account of circumstances which were beyond the control of the school board. A school board may hold school on Saturdays.~~ The school board shall determine the number of school days of each school year on or before April 1 of the calendar year in which such school year commences."

Renumber the sections of article 7 in sequence and correct the internal

references

Amend the title accordingly

The motion prevailed. So the amendment to the amendment was adopted.

Mr. Dicklich moved to amend the first Peterson, R. W. amendment to H.F. No. 2200, adopted by the Senate April 2, 1990, as follows:

Page 45, after line 19, insert:

“Sec. 4. Minnesota Statutes 1989 Supplement, section 121.912, subdivision 1, is amended to read:

Subdivision 1. [LIMITATIONS.] Except as provided in this subdivision, sections 121.9121, 123.36, 124.243, 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 any other operating funds according to section 123.705, subdivision 1, or if the resources of the other fund are not adequate to finance approved expenditures from that other fund. Permanent transfers may also 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 reserved for bus purchases” to the capital expenditure fund, with the approval of the commissioner, *or to the transportation fund*. The sum of the levies authorized pursuant to sections 124.243, 124.244, and 124.83 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 undesignated fund balance account in its transportation fund to any other operating fund or to the reserved fund balance account for bus purchases in its transportation fund.”

Renumber the sections of article 8 in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment to the amendment was adopted.

Mr. Hughes moved to amend the first Peterson, R. W. amendment to H.F. No. 2200, adopted by the Senate April 2, 1990, as follows:

Page 42, after line 5, insert:

“Sec. 11. Laws 1989, chapter 329, article 7, section 24, subdivision 6, is amended to read:

Subd. 6. [CAREER TEACHER AID.] For career teacher aid:

\$1,000,000 1990

This appropriation is available until June 30, 1991.

Notwithstanding Minnesota Statutes 1989 Supplement, section 124.276, subdivision 2, the amount available for fiscal year 1991 may be used for the increased district contribution to the teachers' retirement association and

to FICA resulting from the portion of the teaching contract that is in addition to the standard teaching contract of the district.

Up to \$5,000 may be used for the state career teacher task force."

Renumber the sections of article 7 in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment to the amendment was adopted.

Mr. Waldorf moved to amend the first Peterson, R.W. amendment to H.F. No. 2200, adopted by the Senate April 2, 1990, as follows:

Page 50, after line 36, insert:

"Sec. 9. [126.25] [SEXUAL EDUCATION GUIDELINES.]

Subdivision 1. [PURPOSE.] It is the intent of the legislature to help young people make responsible decisions about their sexual behavior.

Subd. 2. [GUIDELINES.] (a) All material and instruction in public elementary and secondary courses that teach sex education and discuss sexual behaviors must be age appropriate.

(b) All sex education courses that discuss sexual behavior must satisfy the criteria in the numbered clauses in this paragraph:

(1) teach the topic of abstinence and encourage students to take responsibility and make ethical and reasoned decisions in the prevention of teenage pregnancy;

(2) discuss methods of contraception that carry a risk of failure in preventing unwanted teenage pregnancy;

(3) discuss possible emotional and psychological consequences of pre-adolescent and adolescent sexual behavior;

(4) stress that sexually transmitted diseases are serious possible consequences of sexual behavior;

(5) emphasize that students have the power to control personal behavior;

(6) course material and instruction must emphasize that students have the power to control personal behavior. Students must be encouraged to base their actions on reasoning, self-discipline, sense of responsibility, self-control, and ethical considerations, such as respect for one's self and others; and

(7) course materials and instruction must teach students not to make unwanted physical and verbal sexual advances, how to say no to unwanted sexual advances, and that it is wrong to take advantage of or exploit another person.

Students should be encouraged to base their actions on reasoning, self-discipline, a sense of responsibility, self-control, ethical considerations, and respect for themselves and others."

Renumber the sections of article 8 in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment to the amendment was adopted.

Mr. Dicklich moved to amend the first Peterson, R. W. amendment to H.F. No. 2200, adopted by the Senate April 2, 1990, as follows:

Page 50, after line 36, insert:

“Sec. 9. Minnesota Statutes 1988, section 237.06, is amended to read:

237.06 [RATES TO BE FAIR AND REASONABLE.]

Subdivision 1. [TELEPHONE COMPANY DUTIES; DEPOSIT FEES.] It shall be the duty of every telephone company to furnish reasonably adequate service and facilities for the accommodation of the public, and its rates, tolls, and charges shall be fair and reasonable for the intrastate use thereof. All unreasonable rates, tolls, and charges are hereby declared to be unlawful. Any telephone company organized after January 1, 1949, may include in its charges a reasonable deposit fee not exceeding \$50 for facilities furnished.

Subd. 2. [RATES FOR SCHOOLS.] Telephone companies and independent telephone companies providing local service in an assigned service territory that includes any public schools with classes from kindergarten through 12th grade shall provide to the schools a flat rate local service with blocking of all toll calling privileges. The service shall be made available only to a school district that agrees to purchase the service for every classroom, library, gymnasium, and other work station used regularly by teachers. The monthly rate charged to the school district for the service in each exchange must equal or exceed that charged in the exchange for a residential flat rate service access line but must be less than the rate charged for a single line flat rate business access line. If the residential and business flat rates are identical in the exchange, the rate charged to the school district for the service shall equal the residential flat rate.”

Page 51, after line 24, insert:

“Sec. 12. [DEADLINE FOR SUBMISSION.]

The service required by section 9, subdivision 2, must be made available and proposed rates must be developed by each telephone company and independent telephone company for submission to the public utilities commission for its approval by January 1, 1991.”

Renumber the sections of article 8 in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment to the amendment was adopted.

Mr. Frederickson, D.R. moved to amend the first Peterson, R. W. amendment to H.F. No. 2200, adopted by the Senate April 2, 1990, as follows:

Page 54, after line 7, insert:

“Sec. 5. [PROFESSIONAL CONDUCT FOR TEACHERS.]

The board of teaching shall amend its rules enumerating standards for professional conduct for teachers by adding an item that states substantially as follows:

“A teacher shall not distribute to or provide one or more students with questions or answers for any district, state, or national examination, assessment, or test, unless the questions or answers have previously been made available by the person or organization that prepared the examination, assessment, or test for use by students.””

Renumber the sections of article 9 in sequence

The motion prevailed. So the amendment to the amendment was adopted.

Mr. Hughes moved to amend the first Peterson, R.W. amendment to H.F. No. 2200, adopted by the Senate April 2, 1990, as follows:

Page 30, after line 14, insert:

“Sec. 7. Minnesota Statutes 1989 Supplement, section 122.91, subdivision 3, is amended to read:

Subd. 3. [REQUIREMENTS FOR FORMATION.] An education district must have one of the following at the time of formation:

(1) at least five districts, *except that an education district within the seven-county metropolitan area may have fewer than five districts;*

(2) at least four districts with a total of at least 5,000 pupils in average daily membership; or

(3) at least four districts with a total of at least 2,000 square miles.

Members of an education district must be contiguous. Districts with a cooperation agreement according to section 122.541 may belong to an education district only as a unit.

A noncontiguous district may be a member of an education district if the state board of education determines that:

(1) a district between the education district and the noncontiguous district has considered and is unwilling to become a member; or

(2) a noncontiguous configuration of member districts has sufficient technological or other resources to offer effective levels of programs and services required under sections 122.94, subdivision 2, and 122.945.

Sec. 8. Minnesota Statutes 1988, section 122.93, is amended by adding a subdivision to read:

Subd. 5a. [COMMUNITY COUNCIL.] Each school board that is a member of an education district shall form a community council. The council must include parents and elected representatives of local governments and the school board and representatives of social service providers, education providers, community service organizations, and local businesses. The community council shall plan for the education, social service, and health needs of the community and collaborative ways to modify or build facilities for use by all community residents. The plan shall be presented to the education district board for review and comment.”

Page 31, line 17, strike “state board of education” and insert “*board of the ECSU region within which the majority of the members of the education district are located, according to section 123.58, subdivision 2*”

Page 31, lines 19 and 21, strike “state” and insert “*applicable ECSU*”

Page 31, line 24, after the period, insert “*The five-year plan must include methods to cooperate with the applicable ECSU and to coordinate programs and services provided by the applicable ECSU. An education district shall contract with the applicable ECSU for fiscal and other services or shall include in its five-year plan reasons for not contracting. The reasons may include the cost-effectiveness, efficiency, and communication advantages of the education district.*”

Page 31, line 24, before "board" insert "ECSU"

Page 31, line 25, strike "receiving it from the education district" and insert "*the required submission date, notify the state board of education of the approval or disapproval by June 1, and submit a copy of the plan to the state board. The state board must approve or disapprove of the plan by August 1*"

Page 33, after line 20, insert:

"Sec. 16. Minnesota Statutes 1988, section 123.58, subdivision 2, is amended to read:

Subd. 2. [ESTABLISHMENT OF EDUCATIONAL COOPERATIVE SERVICE UNITS.] (a) In furtherance of this policy, ten educational cooperative service units are designated. Each unit, should it become operational, shall be termed an educational cooperative service unit, hereafter designated as an ECSU. Geographical boundaries for each ECSU shall coincide with those identified in governor's executive orders 8, dated September 1, 1971, and 59, dated May 29, 1973, issued pursuant to the regional development act of 1969, Minnesota Statutes, sections 462.381 to 462.397, with the following exceptions:

(i) Development regions one and two shall be combined to form a single ECSU;

(ii) Development regions six east and six west shall be combined to form a single ECSU;

(iii) Development regions seven east and seven west shall be combined to form a single ECSU.

The ECSU shall cooperate with the regional development commission for the region with which its boundaries coincide but shall not be responsible to nor governed by that regional development commission.

(b) The geographic location of the central administrative office of a school district shall determine the membership of the total school district in a particular ECSU. Existing school district boundaries shall not be altered as a result of this section.

(c) Two or more identified ECSU units may, upon approval by a majority of school boards of participating school districts in each affected ECSU, be combined and administered as a single ECSU unit but state assistance shall be allocated on the basis of two or more ECSU units.

~~(d) The initial organization of each ECSU may occur only upon petition to the state board of education by a majority of all school districts in an ECSU. The state board of education shall, upon receipt of this petition, invite representation from all public school districts and shall encourage the participation of nonpublic school administrative units to the extent allowed by law in an ECSU at a regional meeting. The state board of education shall then assist in the necessary organizational activities for establishment of an ECSU pursuant to the requirements of this section. The commissioner of education shall schedule meetings within each ECSU region to plan cooperative efforts."~~

Renumber the sections of article 6 in sequence and correct the internal references

Amend the title accordingly

Mr. Peterson, R. W. requested division of the amendment as follows:

First portion:

Page 30, after line 14, insert:

“Sec. 7. Minnesota Statutes 1989 Supplement, section 122.91, subdivision 3, is amended to read:

Subd. 3. [REQUIREMENTS FOR FORMATION.] An education district must have one of the following at the time of formation:

(1) at least five districts, *except that an education district within the seven-county metropolitan area may have fewer than five districts;*

(2) at least four districts with a total of at least 5,000 pupils in average daily membership; or

(3) at least four districts with a total of at least 2,000 square miles.

Members of an education district must be contiguous. Districts with a cooperation agreement according to section 122.541 may belong to an education district only as a unit.

A noncontiguous district may be a member of an education district if the state board of education determines that:

(1) a district between the education district and the noncontiguous district has considered and is unwilling to become a member; or

(2) a noncontiguous configuration of member districts has sufficient technological or other resources to offer effective levels of programs and services required under sections 122.94, subdivision 2, and 122.945.

Sec. 8. Minnesota Statutes 1988, section 122.93, is amended by adding a subdivision to read:

Subd. 5a. [COMMUNITY COUNCIL.] Each school board that is a member of an education district shall form a community council. The council must include parents and elected representatives of local governments and the school board and representatives of social service providers, education providers, community service organizations, and local businesses. The community council shall plan for the education, social service, and health needs of the community and collaborative ways to modify or build facilities for use by all community residents. The plan shall be presented to the education district board for review and comment.”

Page 31, line 17, strike “state board of education” and insert “*board of the ECSU region within which the majority of the members of the education district are located, according to section 123.58, subdivision 2*”

Page 31, lines 19 and 21, strike “state” and insert “*applicable ECSU*”

Page 31, line 24, before “board” insert “*ECSU*”

Page 31, line 25, strike “receiving it from the education district” and insert “*the required submission date, notify the state board of education of the approval or disapproval by June 1, and submit a copy of the plan to the state board. The state board must approve or disapprove of the plan by August 1*”

Page 33, after line 20, insert:

“Sec. 16. Minnesota Statutes 1988, section 123.58, subdivision 2, is amended to read:

Subd. 2. [ESTABLISHMENT OF EDUCATIONAL COOPERATIVE

SERVICE UNITS.] (a) In furtherance of this policy, ten educational cooperative service units are designated. Each unit, should it become operational, shall be termed an educational cooperative service unit, hereafter designated as an ECSU. Geographical boundaries for each ECSU shall coincide with those identified in governor's executive orders 8, dated September 1, 1971, and 59, dated May 29, 1973, issued pursuant to the regional development act of 1969, Minnesota Statutes, sections 462.381 to 462.397, with the following exceptions:

(i) Development regions one and two shall be combined to form a single ECSU;

(ii) Development regions six east and six west shall be combined to form a single ECSU;

(iii) Development regions seven east and seven west shall be combined to form a single ECSU.

The ECSU shall cooperate with the regional development commission for the region with which its boundaries coincide but shall not be responsible to nor governed by that regional development commission.

(b) The geographic location of the central administrative office of a school district shall determine the membership of the total school district in a particular ECSU. Existing school district boundaries shall not be altered as a result of this section.

(c) Two or more identified ECSU units may, upon approval by a majority of school boards of participating school districts in each affected ECSU, be combined and administered as a single ECSU unit but state assistance shall be allocated on the basis of two or more ECSU units.

~~(d) The initial organization of each ECSU may occur only upon petition to the state board of education by a majority of all school districts in an ECSU. The state board of education shall, upon receipt of this petition, invite representation from all public school districts and shall encourage the participation of nonpublic school administrative units to the extent allowed by law in an ECSU at a regional meeting. The state board of education shall then assist in the necessary organizational activities for establishment of an ECSU pursuant to the requirements of this section. The commissioner of education shall schedule meetings within each ECSU region to plan cooperative efforts."~~

Renumber the sections of article 6 in sequence and correct the internal references

Amend the title accordingly

Second portion:

Page 31, line 24, after the period, insert "*The five-year plan must include methods to cooperate with the applicable ECSU and to coordinate programs and services provided by the applicable ECSU. An education district shall contract with the applicable ECSU for fiscal and other services or shall include in its five-year plan reasons for not contracting. The reasons may include the cost-effectiveness, efficiency, and communication advantages of the education district.*"

The question was taken on the adoption of the first portion of the Hughes amendment. The motion prevailed. So the first portion of the amendment to the amendment was adopted.

The question was taken on the adoption of the second portion of the Hughes amendment. The motion did not prevail. So the second portion of the amendment to the amendment was not adopted.

Mr. Benson moved to amend the first Peterson, R.W. amendment to H.F. No. 2200, adopted by the Senate April 2, 1990, as follows:

Page 45, after line 19, insert:

“Sec. 4. Minnesota Statutes 1988, section 122.23, subdivision 9, is amended to read:

Subd. 9. If the approved plat contains land area in more than one independent district maintaining a secondary school, or common district maintaining a secondary school, and if each board entitled to act on the plat approves the plat, each board shall cause notice of its action to be published at least once in its official newspaper. *If all of the school boards entitled to act on the plat call, by resolution, for an election on the question, or if five percent of the eligible voters of any such district petition the clerk of the district, within 30 days after the publication of the notice, for an election on the question, the consolidation shall not become effective until approved by a majority vote in the district at an election held in the manner provided in subdivisions 11, 12, and 13.*

Sec. 5. Minnesota Statutes 1988, section 122.23, subdivision 11, is amended to read:

Subd. 11. Upon an election becoming callable under provisions of subdivision 9 or 10, the ~~county auditor~~ *school board* shall give ten days' posted notice of election in the area in which the election is to be held and also if there be a newspaper published in the area, one weeks' published notice shall be given. The notice shall specify the time, place and purpose of the election.

Sec. 6. Minnesota Statutes 1988, section 122.23, subdivision 12, is amended to read:

Subd. 12. The ~~county auditor~~ *school board* shall determine the date of the election, the number of boundaries of voting precincts, and the location of the polling places where voting shall be conducted, and the hours the polls will be open. The ~~county auditor~~ *school board* shall also provide official ballots which shall be used exclusively and shall be in the following form:

For consolidation

Against consolidation

The ~~county auditor~~ *school board* shall appoint three election judges for each polling place who shall act as clerks of election. The ~~county~~ *school board* may pay these election judges not to exceed \$1 per hour. The ballots and results shall be certified to the ~~county auditor~~ *school board* who shall canvass and tabulate the total vote cast for and against the proposal.

Sec. 7. Minnesota Statutes 1988, section 122.23, subdivision 13, is amended to read:

Subd. 13. If a majority of the votes cast on the question at the election approve the consolidation, and if the necessary approving resolutions of boards entitled to act on the plat have been adopted, the *school board shall, within ten days of the election, notify the county auditor who shall, within ten days of the election notice or of the expiration of the period during which an election can be called, issue an order setting a date for the effective date of the*

change. The effective date shall be at least three months after the day when the date must be set, and shall be July 1 of an odd-numbered year, *unless an even-numbered year is agreed upon according to subdivision 13a*. The auditor shall mail or deliver a copy of such order to each auditor holding a copy of the plat and to the clerk of each district affected by the order and to the commissioner. *The school board shall similarly notify the county auditor if the election fails.* The proceedings are *then* terminated and the county auditor shall so notify the commissioner and the auditors and the clerk of each school district affected."

Renumber the sections of article 8 in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment to the amendment was adopted.

Mr. Frederickson, D.J. moved to amend the first Peterson, R.W. amendment to H.F. No. 2200, adopted by the Senate April 2, 1990, as follows:

Page 35, after line 9, insert:

"Sec. 18. [124.4942] [MEETINGS.]

The joint powers board established in section 124.494 and the board of each of its member districts may hold meetings in any of the member districts at a location convenient to the public. The joint powers board shall establish and maintain a schedule of the time and place of its meetings and shall give notice of regular and special meetings in the same manner as required for other public bodies."

Renumber the sections of article 6 in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment to the amendment was adopted.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Marty moved that the following members be excused for a Conference Committee on H.F. No. 1952 at 4:00 p.m.:

Messrs. Belanger, Spear and Marty. The motion prevailed.

Mr. Mehrkens moved to amend the first Peterson, R.W. amendment to H.F. No. 2200, adopted by the Senate April 2, 1990, as follows:

Page 54, after line 16, insert:

"ARTICLE 10

Section. 1. Minnesota Statutes 1988, section 124A.22, subdivision 4, is amended to read:

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 ~~4.6~~ 1.25 from the training and experience index.

(b) Multiply the result in clause (a) by the product of ~~\$700~~ \$400 times the actual pupil units for the school year.

Sec. 2. [STATE TAKEOVER OF ALL EDUCATION COSTS BY THE YEAR 2000.]

Subdivision 1. [COMPUTE TOTAL COSTS.] The department of education shall identify and compute all costs associated with Minnesota's public K-12 education system, except for school construction costs, district referendum levies, and agency expenses. The department shall submit its report on total costs to the legislature by January 1, 1991.

Subd. 2. [TEN-YEAR ASSUMPTION OF LEVIES.] In 1991, the state shall assume ten percent of levies for school purposes, except levies for bonds and debt service and referendum levies under Minnesota Statutes, section 124A.03. Each year thereafter, the state shall assume an additional ten percent of the levies until the total levies are assumed in the year 2000. The commissioner of education shall notify the county auditors each year as to how much of the levies of school districts are to be assumed by the state and the county auditor shall spread the property taxes accordingly.

The payments by the state to the school district in place of property taxes assumed by the state must be paid by the state at the time and in the proportion that property tax payments are otherwise made to the school districts. The assumption must be applied first to levies made for general education revenue, and then for special education, followed by transportation, and then all other eligible levies proportionately.

Sec. 3. [TASK FORCE.]

Subdivision 1. [ESTABLISHED; MEMBERS; STAFF] A task force is established to examine various revenue disparities caused by the general education revenue formula.

The task force must be made up of:

- (1) a representative of the rural education association;*
- (2) a representative of the association of stable and growing school districts;*
- (3) a representative of the association of metropolitan school districts;*
- (4) a representative of the Minneapolis school district;*
- (5) a representative of the Saint Paul school district; and*
- (6) one member of each caucus in the house of representatives and the senate appointed by the leader of each caucus.*

The task force must be staffed by the legislative commission on public education with access to the services of the house of representatives and senate research offices. The commissioner or a designee shall convene the task force. The task force is subject to Minnesota Statutes, section 15.059, subdivision 6.

Subd. 2. [RESPONSIBILITIES.] (a) The task force must examine the various components of the general education revenue formula that cause disparities between school districts.

(b) In examining the components, the task force must consider such issues as:

- (1) does a component still address the needs of the school districts for which it was originally designed; and*

(2) is the revenue most appropriately provided as a component of the general education revenue formula or should it be provided through a separate source.

(c) The task force shall also examine whether compensatory revenue should be based on AFDC students or on some other measure of educational overburden.

Sec. 4. [STUDENTS ASSESSMENT.]

Subdivision 1. [STATE BOARD AND DEPARTMENT.] The department of education and the state board of education shall develop assessment tests for use in grades five, nine, and 11. All students in these grades, except those identified as needing special education and related services, must take the tests. The assessment tests must measure proficiency in mathematics, reading, writing, and the sciences.

Subd. 2. [WORKING GROUPS.] To assist the department and the state board in developing assessment tests, working groups must be selected. The working groups must include representatives of the state's public and nonpublic post-secondary education institutions and affected employer groups. The legislative commission on public education must select the various representatives to serve on the working groups. The working groups must assist in designing appropriate assessment tests to measure desired achievement goals for each grade level.

Subd. 3. [SCHEDULE.] By January 15, 1991, the department and state board must provide a progress report on their efforts to the respective education committees of the house of representatives and senate.

By January 15, 1992, the department and state board will again provide a progress report on their efforts to the respective education committees of the house of representatives and senate.

By September 1, 1992, the assessment tests for grades five, nine, and 11 would be complete.

During the 1993-94 school year, all students in grades five, nine, and 11 must take the assessment tests.

Beginning with the 1993-94 school year, all high school seniors, except those identified as needing special education and related services, must take a nationally norm-referenced standardized achievement exam. The school district may select the test and must use the selected test for no less than four consecutive years.

By July 1, 1993, and every succeeding year, school districts must submit a summary of their students' test results to the department. The department must maintain a record of student achievement in each school district.

By January 15, 1995, and every succeeding even-numbered year, the department must report to the respective education committees of the house of representatives and senate on student achievement.

Sec. 5. [EXEMPTION FROM MANDATES.]

Beginning with the 1992-93 school year, school districts are no longer subject to state laws and rules related to class size, curriculum requirements, length of the school day, and length of the school year. The laws and rules in these areas would no longer be mandatory; rather, they would serve as examples for the districts to use as they see fit. The exemption

from laws and rules does not apply to requirements for special education students.

Sec. 6. [REPEALER.]

Minnesota Statutes 1989 Supplement, section 124A.03, subdivision 2, is repealed effective July 1, 2000.

Sec. 7. [EFFECTIVE DATE.]

Section 1 is effective for 1991-1992 and later school years."

Amend the title accordingly

CALL OF THE SENATE

Mr. Peterson, R. W. imposed a call of the Senate for the balance of the proceedings on H.F. No. 2200. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the Mehrkens amendment. The motion did not prevail. So the amendment to the amendment was not adopted.

Mr. Knaak moved to amend the first Peterson, R. W. amendment to H.F. No. 2200, adopted by the Senate April 2, 1990, as follows:

Page 4, after line 6, insert:

"Sec. 3. Minnesota Statutes 1989 Supplement, section 124A.22, subdivision 2, is amended to read:

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 \$2,838 for fiscal year 1990. The formula allowance ~~for subsequent fiscal years~~ is \$2,953 for fiscal year 1991. The formula allowance for later fiscal years is \$3,100.

Sec. 4. Minnesota Statutes Second 1989 Supplement, section 124A.23, subdivision 1, is amended to read:

Subdivision 1. [GENERAL EDUCATION TAX CAPACITY RATE.] The general education tax capacity rate for fiscal year 1991 is 26.3 percent. Beginning in 1990, the commissioner of revenue shall establish the general education tax capacity rate and certify it to the commissioner of education by July 1 of each year for levies payable in the following year. The general education tax capacity rate shall be a rate, rounded up to the nearest tenth of a percent, that, when applied to the adjusted net tax capacity for all districts, raises the amount specified in this subdivision. The general education tax capacity rate shall be the rate that raises ~~\$845,000,000~~ \$822,181,500 for fiscal year 1992 and subsequent fiscal years. The general education tax capacity rate certified by the commissioner of revenue may not be changed due to changes or corrections made to a district's adjusted net tax capacity after the tax capacity rate has been certified."

Re-number the sections of article 1 in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the Knaak amendment to the first Peterson, R. W. amendment.

The roll was called, and there were yeas 26 and nays 36, as follows:

Those who voted in the affirmative were:

Anderson	Decker	Knaak	Mehrkens	Storm
Beckman	Frank	Knutson	Morse	Vickerman
Belanger	Frederick	Laidig	Olson	
Benson	Frederickson, D.J.	Larson	Pariseau	
Bernhagen	Frederickson, D.R.	McGowan	Piepho	
Brataas	Johnson, D.E.	McQuaid	Ramstad	

Those who voted in the negative were:

Adkins	Davis	Langseth	Pehler	Solon
Berg	DeCramer	Lantry	Peterson, R.W.	Spear
Berglin	Dicklich	Lessard	Piper	Stumpf
Bertram	Diessner	Luther	Pogemiller	Waldorf
Brandl	Flynn	Marty	Purfeerst	
Chmielewski	Freeman	Merriam	Reichgott	
Cohen	Johnson, D.J.	Metzen	Samuelson	
Dahl	Kroening	Moe, D.M.	Schmitz	

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

Mr. Stumpf moved to amend the first Peterson, R. W. amendment to H.F. No. 2200, adopted by the Senate April 2, 1990, as follows:

Page 41, after line 3, insert:

“Sec. 10. Laws 1989, chapter 329, article 6, section 53, subdivision 6, is amended to read:

Subd. 6. [TELECOMMUNICATIONS GRANT.] For a ~~grant~~ grants of up to \$20,000 each to independent school districts Nos. 356, 353, 444, 441, 524, 564, 592, 440, 678, 676, 682, 690, 390, 593, 595, 630, and 600, 599, 447, 742, 627, 628, and 454 to support a cooperative educational technology ~~program~~ programs:

\$340,000 1990 1991.”

Renumber the sections of article 7 in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment to the amendment was adopted.

Mr. Beckman moved to amend the first Peterson, R. W. amendment to H.F. No. 2200, adopted by the Senate April 2, 1990, as follows:

Page 50, line 28, delete everything after the headnote

Page 50, line 29, delete everything before “The” and delete “board” and insert “council”

Page 50, lines 32 and 33, delete “Board” and insert “Council”

Page 50, line 35, after the period, insert “The council is governed by an executive board of directors.” and delete “board” and insert “council”

The motion prevailed. So the amendment to the amendment was adopted.

Mr. Morse moved to amend the first Peterson, R. W. amendment to H.F. No. 2200, adopted by the Senate April 2, 1990, as follows:

Page 50, after line 22, insert:

"Sec. 8. Minnesota Statutes 1989 Supplement, section 124A.22, subdivision 2a, is amended to read:

Subd. 2a. ~~[ELIGIBILITY FOR INCREASE CONTRACT DEADLINE AND PENALTY.]~~ (a) *The following definitions apply to this subdivision:*

"Public employer" means:

(1) *a school district; and*

(2) *a public employer, as defined by section 179A.03, subdivision 15, other than a school district that (i) negotiates a contract under chapter 179A with teachers, and (ii) is established by, receives state money, or levies under chapters 120 to 129B or 136D, or section 275.125.*

"Teacher" means *a person, other than a superintendent or assistant superintendent, principal, assistant principal, or a supervisor or confidential employee who occupies a position for which the person must be licensed by the board of teaching, state board of education, or state board of vocational technical education.*

(b) ~~Notwithstanding subdivision 2 or any other law to the contrary, if a school board public employer and the bargaining unit exclusive representative of the teachers in a school district have not ratified shall both sign a contract by collective bargaining agreement on or before January 15, 1990, for the two-year period ending June 30, 1991, the district is no longer eligible for \$25 of the formula allowance for fiscal year 1990 of an even-numbered calendar year. The total amount of money that would have been paid to districts that are not eligible according to this subdivision If a collective bargaining agreement is not signed by that date, state aid paid to the public employer for that fiscal year shall be reduced. However, state aid shall not be reduced if:~~

(1) *a public employer and the exclusive representative of the teachers have submitted all unresolved contract items to interest arbitration according to section 179A.16 before December 31 of an odd-numbered year and filed required final positions on all unresolved items with the commissioner of mediation services before January 15 of an even-numbered year; and*

(2) *the arbitration panel has issued its decision within 60 days after the date the final positions were filed.*

(c) *The reduction shall equal \$25 times the number of actual pupil units:*

(1) *for a school district, that are in the district during that fiscal year; or*

(2) *for a public employer other than a school district, that are in programs provided by the employer during the preceding fiscal year.*

The department of education shall determine the number of full-time equivalent actual pupil units in the programs. The department of education shall reduce general education aid; if general education aid is insufficient or not paid, the department shall reduce other state aids.

(d) *Reductions from aid to school districts and public employers other than school districts shall be allocated paid to eligible school districts that did not have aids reduced according to the number of actual pupil units in all of the eligible those districts."*

Renumber the sections of article 8 in sequence and correct the internal references

Amend the title accordingly

Mr. Knutson moved to amend the Morse amendment to the first Peterson, R.W. amendment to H.F. No. 2200, adopted by the Senate April 2, 1990, as follows:

Page 1, line 27, delete the new language and strike "January 15"

Page 1, line 30, delete "of" and insert "*collective bargaining agreement before the first day that pupils attend school in September in*" and delete "even-numbered" and insert "odd-numbered"

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

The question recurred on the adoption of the Morse amendment to the first Peterson, R.W. amendment. The motion prevailed. So the amendment to the amendment was adopted.

Mr. Frederickson, D.J. moved to amend the first Peterson, R.W. amendment to H.F. No. 2200, adopted by the Senate April 2, 1990, as follows:

Page 35, after line 3, insert:

"Sec. 17. Minnesota Statutes 1988, section 124.494, is amended by adding a subdivision to read:

Subd. 2a. [REORGANIZING DISTRICTS.] A school district that is a member of a joint powers board established under subdivision 2 and that is planning to reorganize under section 122.21, 122.22, or 122.23 must notify the joint powers board one year in advance of the effective date of the reorganization. Notwithstanding section 471.59 or any other law to the contrary, the board of a district that reorganizes under section 122.21, 122.22, or 122.23 may appoint representatives to the joint powers board who will serve on the joint powers board for two years after the effective date of the reorganization if authorized in the agreement establishing the joint powers board to govern the cooperative secondary facility. These representatives shall have the same powers as representatives of any other school district under the joint powers agreement."

Renumber the sections of article 6 in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment to the amendment was adopted.

Mr. DeCramer moved to amend the first Peterson, R.W. amendment to H.F. No. 2200, adopted by the Senate April 2, 1990, as follows:

Page 16, after line 28, insert:

"Sec. 2. Minnesota Statutes 1989 Supplement, section 124.86, subdivision 2, is amended to read:

Subd. 2. [REVENUE AMOUNT.] For 1989-1990 and later school years, An American Indian-controlled contract school that is located on a reservation within the state and that complies with the requirements in subdivision 1 is eligible to receive tribal contract school aid. The amount of aid is derived by:

(1) multiplying the formula allowance under section 124A.22, subdivision 2, times the ~~actual~~ total pupil units as defined in section 124A.02, subdivision 19, in attendance during the fall count week; ~~but not including pupil units for which the school has received reimbursement under sections 123.933 and 126.23 for the school for the current school year;~~

(2) subtracting from the result in clause (1) the amount of money allotted to the school by the federal government through the Indian School Equalization Program of the Bureau of Indian Affairs, according to Code of Federal Regulations, title 25, part 39, subparts A to E, for the basic program as defined by section 39, 11, b *for the base rate as applied to kindergarten through twelfth grade, excluding additional weighting*, but not money allotted through subparts F to L for contingency funds, school board training, student training, interim maintenance and minor repair, interim administration cost, prekindergarten, and operation and maintenance, and the amount of money that is received according to section 126.23;

(3) dividing the result in clause (2) by the ~~actual~~ total pupil units; and

(4) multiplying the ~~actual~~ total pupil units by the lesser of \$1,500 or the result in clause (3).”

Renumber the sections of article 3 in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment to the amendment was adopted.

Ms. Olson moved to amend the first Peterson, R.W. amendment to H.F. No. 2200, adopted by the Senate April 2, 1990, as follows:

Page 1, after line 9, insert:

“Section 1. Minnesota Statutes 1988, section 124.14, subdivision 7, is amended to read:

Subd. 7. [APPROPRIATION TRANSFERS.] If a direct appropriation from the general fund to the department of education for any education aid or grant authorized in this chapter and chapters 121, 123, 124A, 125, 126, 129B, and 134 exceeds the amount required, the commissioner of education ~~may~~ *shall* transfer the excess to any education aid or grant appropriation that is insufficient. However, section 124A.032 applies to a deficiency in the direct appropriation for general education aid. 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. If the amount of the direct appropriation for the aid or grant plus the amount transferred according to this subdivision is insufficient, the commissioner shall prorate the available amount among eligible districts. The state is not obligated for any additional amounts.”

Renumber the sections of article 1 in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the Olson amendment to the first Peterson, R.W. amendment.

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

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.J.	Mehrkens	Reichgott
Anderson	Davis	Knaak	Merriam	Renneke
Beckman	Decker	Knutson	Moe, D.M.	Samuelson
Belanger	DeCramer	Kroening	Morse	Schmitz
Benson	Dicklich	Laidig	Olson	Solon
Berg	Flynn	Langseth	Pariseau	Spear
Berglin	Frank	Lantry	Pehler	Storm
Bernhagen	Frederick	Larson	Peterson, R.W.	Stumpf
Bertram	Frederickson, D.J.	Lessard	Piepho	Vickerman
Brandl	Frederickson, D.R.	Luther	Piper	Waldorf
Brataas	Freeman	Marty	Pogemiller	
Chmielewski	Hughes	McGowan	Purfeerst	
Cohen	Johnson, D.E.	McQuaid	Ramstad	

The motion prevailed. So the amendment to the amendment was adopted.

Mr. Peterson, R.W. moved to amend the first Peterson, R. W. amendment to H.F. No. 2200, adopted by the Senate April 2, 1990, as follows:

Page 4, after line 19, insert:

“Sec. 4. [EFFECTIVE DATE.]

Sections 1 and 3 are effective July 1, 1990.”

Page 15, after line 15, insert:

“Sec. 7. [EFFECTIVE DATE.]

Sections 1, 2, 4, and 5 are effective July 1, 1990. Section 3, subdivision 11, is effective for the purpose of providing authority to a school district to provide the transportation according to section 2 July 1, 1990. Section 3, subdivision 11, is effective for revenue for fiscal year 1992 and thereafter.”

Page 24, line 24, before “Section” insert “Sections 1, 3, and 4 are effective July 1, 1990.”

Pages 25 and 26, delete section 2

Renumber the sections of article 5 in sequence and correct the internal references

Page 26, line 22, before “Section” insert “Section 1 is effective July 1, 1990.”

Page 35, after line 28, insert:

“Sec. 19. [EFFECTIVE DATE.]

Sections 1, 14, 15, 16, 17, and 18 are effective July 1, 1990.”

Page 43, line 8, delete “and” and insert a comma and after “11” insert “, and 13”

Page 43, line 9, after the period, insert “Section 5 is effective July 1, 1990.”

Page 54, after line 16, insert:

“Sec. 6. [EFFECTIVE DATE.]

Section 5 is effective the day following final enactment. Sections 2 and 3 are effective July 1, 1990.”

The motion prevailed. So the amendment to the amendment was adopted.

Mr. DeCramer moved to amend the first Peterson, R.W. amendment to H.F. No. 2200, adopted by the Senate April 2, 1990, as follows:

Page 27, line 24, strike "subdivision" and insert "*subdivisions 4 and*"

Page 34, after line 3, insert:

"Sec. 14. Minnesota Statutes 1989 Supplement, section 124.2725, subdivision 3, is amended to read:

Subd. 3. [COOPERATION AND COMBINATION LEVY.] To obtain cooperation and combination revenue, a district may levy an amount equal to the cooperation and combination revenue multiplied by the lesser of one or the following ratio:

(1) the quotient derived by dividing the adjusted ~~gross net~~ tax capacity for the district in the year preceding the year the levy is certified by the actual pupil units in the district for the year to which the levy is attributable, to

(2) the percentage, specified in subdivision 4, of the equalizing factor for the school year to which the levy is attributable.

Sec. 15. Minnesota Statutes 1989 Supplement, section 124.2725, subdivision 4, is amended to read:

Subd. 4. [INCREASING LEVY.] *(a) For districts that combine after one year of cooperation, the percentage in subdivision 3, clause (2), shall be:*

(1) 100 percent for the first year of cooperation;

(2) 75 percent for the first year of combination;

(3) 50 percent for the second year of combination; and

(4) 25 percent for the third year of combination.

(b) For districts that combine after two years of cooperation, the percentage in subdivision 3, clause (2), shall be:

(1) 100 percent for the first year of cooperation;

(2) 75 percent for the second year of cooperation;

(3) 50 percent for the first year of combination; and

(4) 25 percent for the second year of combination.

Sec. 16. Minnesota Statutes 1989 Supplement, section 124.2725, subdivision 5, is amended to read:

Subd. 5. [COOPERATION AND COMBINATION AID.] *(a) Districts that combine after one year of cooperation shall receive cooperation and combination aid for the first year of cooperation and three years of combination. Cooperation and combination aid is equal to the difference between the cooperation and combination revenue and the cooperation and combination levy. Aid shall not be paid after three years of combining.*

(b) Districts that combine after two years of cooperation shall receive cooperation and combination aid for the first two years of cooperation and the first two years of combination. Cooperation and combination aid is equal to the difference between the cooperation and combination revenue and the cooperation and combination levy. Aid shall not be paid after two years of combining."

Page 34, delete section 15

Page 35, line 1, delete "17" and insert "16"

Renumber the sections of article 6 in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment to the amendment was adopted.

Mr. DeCramer then moved to amend the first Peterson, R. W. amendment to H.F. No. 2200, adopted by the Senate April 2, 1990, as follows:

Page 30, line 5, delete "may" and insert "shall"

Page 30, line 10, delete "the" and insert "another" and delete "providing secondary" and insert "for the school year following the teacher's placement on unrequested leave of absence."

Page 30, delete line 11

Page 35, line 28, delete "authorized" and insert "required"

The motion prevailed. So the amendment to the amendment was adopted.

Mr. Peterson, R. W. moved to amend the first Peterson, R. W. amendment to H.F. No. 2200, adopted by the Senate April 2, 1990, as follows:

Page 45, after line 19, insert:

"Sec. 5. Minnesota Statutes 1988, section 121.931, subdivision 6, is amended to read:

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

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

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

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

~~The state board, with the advice and assistance of the ESV computer council, shall monitor and enforce compliance with the data standards.~~

Sec. 6. Minnesota Statutes 1988, section 121.931, is amended by adding a subdivision to read:

Subd. 6a. [DATA STANDARD COMPLIANCE.] The department shall monitor and enforce compliance with the data standards. For financial accounting data and property accounting data, the department shall develop statistically based tests to determine data quality. The department shall annually test the data submitted by districts or regional centers and determine which districts submit inaccurate data. The department shall require these districts to review the data in question and, if found in error, to submit corrected data.

Sec. 7. Minnesota Statutes 1988, section 121.935, is amended by adding a subdivision to read:

Subd. 1a. [CENTER FOR DISTRICTS WITH ALTERNATIVE SYSTEMS.] Districts that operate alternative systems approved by the state board according to section 121.936 may create one regional management information center under section 471.59. The center shall have all of the powers authorized under section 471.59, except as otherwise provided in this subdivision. Only districts that operate approved alternative systems may be members of the center. Upon receiving the approval of the state board to operate an alternative system, a district may become a member of the center.

The board of the center shall be comprised of five members to be elected by the boards of member school districts. Each member of the center board shall be a current member of a member school board. In an election of members of the center board, each member school board shall have one vote for each center board position to be filled.

The center board may purchase or lease equipment. It may not employ any staff but may enter into a term contract for services. A person providing services according to a contract with the center board is not a state employee.

The center shall perform the duties required by subdivision 2, except clauses (c), (d), and (g). The department shall provide the center all services that are provided to regional centers formed under subdivision 1, including transferring software and providing accounting assistance.

Sec. 8. Minnesota Statutes 1988, section 121.935, subdivision 2, is amended to read:

Subd. 2. [DUTIES.] Every regional management information center shall:

(a) Assist its affiliated districts in complying with the reporting requirements of the annual data acquisition calendar and the rules of the state board of education;

(b) Respond within 15 calendar days to requests from the department for district information provided to the region for state reporting of information, based on the data elements in the data element dictionary;

(c) Operate financial management information systems consistent with the uniform financial accounting and reporting standards for Minnesota school districts adopted by the state board pursuant to sections 121.90 to 121.917;

(d) Make available to districts the opportunity to participate fully in all the subsystems of ESV-IS;

(e) ~~Before July 1, 1981,~~ Develop *and maintain* a plan for the provision of *to provide* services during a system failure or a disaster;

(f) Comply with the requirement in section 121.908, subdivision 2, on behalf of districts affiliated with it; and

(g) Operate fixed assets property management information systems consistent with the uniform property accounting and reporting standards for ~~Minnesota technical institutes~~ adopted by the state board pursuant to ~~section 121.902, subdivision 1a.~~

Sec. 9. Minnesota Statutes 1988, section 121.935, subdivision 5, is amended to read:

Subd. 5. [REGIONAL SUBSIDIES.] In any year when a regional management information center's annual plan and budget are approved pursuant to subdivision 3, the center shall receive a regional reporting subsidy grant from the department of education. The subsidy grant shall be in the amount allocated by the state board in the process of approving the annual budgets of the regional management information centers pursuant to subdivision 3. The amounts of the subsidy grants and an explanation of the allocation decisions shall be filed by the state board with the ~~committees on education and finance of the senate and the committees on education and appropriations of the house of representatives legislature.~~

~~For subsidy grants for fiscal year 1981 and for each fiscal year thereafter, When determining the amount of a subsidy grant, the state board is encouraged to recognize that the diversity of regional management information centers precludes a formula-based allocation of subsidy grants, to promote equity and access to regional services in the allocation process, and to shall consider the following factors:~~

(a) The number of students in districts affiliated with the center;

(b) The number of districts affiliated with the center;

(c) Fixed and overhead costs to be incurred in operating the regional center, the finance subsystem, the payroll/personnel subsystem, and the student support subsystem;

(d) Variable costs to be incurred ~~which~~ that differ in proportion to the number of districts served and the number of subsystems implemented for those districts;

(e) Services provided to districts ~~which~~ that enable the districts to meet state reporting requirements;

(f) The cost of meeting the reporting requirements of subdivision 2 for districts using approved alternative management information systems; and

(g) The number of districts affiliated with a regional management information center in relation to the geographic area occupied by those districts.

Sec. 10. Minnesota Statutes 1988, section 121.936, subdivision 1, is amended to read:

Subdivision 1. [MANDATORY PARTICIPATION.] (a) Every district shall perform financial accounting and reporting operations on a financial management accounting and reporting system utilizing multidimensional accounts and records defined in accordance with the uniform financial accounting and reporting standards adopted by the state board pursuant to sections 121.90 to 121.917.

(b) Every school district shall be affiliated with one and only one regional management information center. This affiliation shall include at least the following components:

(1) the center shall provide reports to the department of education for the district to the extent required by the data acquisition calendar;

(2) the district shall process every detailed financial transaction using, at the district's option, either the ESV-IS finance subsystem through the center or an alternative system approved by the state board.

Notwithstanding the foregoing, a district may process and submit its financial data to a region or the state in summary form if it operates an approved alternative system or participates in a state approved pilot test of an alternative system and is reporting directly to the state as of January 1, 1987.

(c) The provisions of this subdivision shall not be construed to prohibit a district from purchasing services other than those described in clause (b) from a center other than the center with which it is affiliated pursuant to clause (b).

Districts operating an approved alternative system may transfer their affiliation from one regional management information center to another *effective July 1 of any year*. At least ~~one year prior to July 1 of the year in which~~ *six but not more than 12 months before* the transfer is to occur, the district shall give written notice to its current region of affiliation of its intent to transfer to another region. The ~~one year~~ notice requirement may be waived if the two regions mutually agree to the transfer.

Sec. 11. Minnesota Statutes 1988, section 121.936, subdivision 2, is amended to read:

Subd. 2. [ALTERNATIVE MANAGEMENT INFORMATION SYSTEMS.] A district may be exempted from the requirement in subdivision 1, clause (b)(2), if it receives the approval of the state board to use another financial management information system. A district permitted before July 1, 1980, to submit its financial transactions in summary form to a regional management information center pursuant to subdivision 1 may continue to submit transactions in the approved form without obtaining the approval of the state board pursuant to this subdivision. A district may be exempted from the requirement in subdivision 1a, clause (b) if it receives the approval of the state board to use an alternative fixed assets property management information system. Any district desiring to use another management information system shall submit a detailed proposal to the state board, *and* the ESV computer council ~~and the regional management information center with which it is affiliated~~. The detailed proposal shall include a statement of all costs to the district, regional management information center or state for software development or operational services needed to provide data to the regional management information center pursuant to the data acquisition calendar.

Sec. 12. Minnesota Statutes 1988, section 121.936, subdivision 3, is amended to read:

Subd. 3. [ALTERNATIVE MANAGEMENT INFORMATION SYSTEMS; EVALUATION.] ~~The regional management information center shall evaluate the district proposal according to the approval criteria in section 121.937, subdivision 1. The regional management information center shall~~

submit its evaluation of the district proposal to the state board and the ESV computer council for their consideration in evaluating the proposal.

The ESV computer council shall evaluate the district proposal according to the approval criteria in section 121.937, subdivision 1, clauses (a), (b), and (d). Upon completion of the evaluation, the ESV computer council shall recommend to the state board that it (a) approve the proposal, (b) disapprove the proposal, or (c) approve the proposal if it is modified by the district in ways ~~which~~ *that* are specified by the council."

Page 47, after line 33, insert:

"Sec. 14. Minnesota Statutes 1988, section 123.38, subdivision 2b, is amended to read:

Subd. 2b. The board may take charge of and control all extra curricular activities of the teachers and children of the public schools in the district. Extra curricular activities shall mean all direct and personal services for public school pupils for their enjoyment that are managed and operated under the guidance of an adult or staff member. Extra curricular activities have all of the following characteristics:

(a) They are not offered for school credit nor required for graduation;

(b) They are generally conducted outside school hours, or if partly during school hours, at times agreed by the participants, and approved by school authorities;

(c) The content of the activities is determined primarily by the pupil participants under the guidance of a staff member or other adult.

If the board does not take charge of and control extra curricular activities, these activities shall be self-sustaining with all expenses, except direct salary costs and indirect costs of the use of school facilities, met by dues, admissions or other student fundraising events; ~~moreover, the general fund or the technical institutes fund, if applicable, shall reflect only those salaries directly related to and readily identified with the activity and paid by public funds and other revenues and expenditures for extra curricular activities shall be recorded pursuant to the "Manual of Instructions for Uniform Student Activities Accounting for Minnesota School Districts."~~ If the board takes charge of and controls extra curricular activities, any or all costs of these activities may be provided from school revenues ~~and~~. All revenues and expenditures for these activities shall be recorded in the same manner as other revenues and expenditures of the district. If the board takes charge of and controls extra curricular activities, no such activity shall be participated in by the teachers or pupils in the district, nor shall the school name or any allied name be used in connection therewith, except by consent and direction of the board."

Page 50, after line 16, insert:

"Sec. 16. Minnesota Statutes 1988, section 124.195, is amended by adding a subdivision to read:

Subd. 12. [DELAY OF PAYMENTS.] A district must submit financial data according to section 121.936, subdivision 1, that is consistent with the audited financial statement required by section 121.908, subdivision 3. If the corrected data has not been submitted by June 30 following the date it is required to be submitted, the commissioner shall delay payments made according to subdivision 3 until the district submits the statement.

If the commissioner determines that the statement is delayed because of circumstances beyond the district's control, the commissioner may extend the June 30 deadline."

Page 51, after line 36, insert:

"Sec. 22. [REPEALER.]

Minnesota Rules, part 3560.0040, subparts 1 and 3, are repealed the day following final enactment."

Renumber the sections of article 8 in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment to the amendment was adopted.

Mr. Knutson moved to amend the Morse amendment to the first Peterson, R. W. amendment to H.F. No. 2200, adopted by the Senate April 2, 1990, as follows:

Page 1, delete lines 23 to 34 and insert:

"(b) Notwithstanding subdivision 2 or any other law to the contrary, if a school board public employer and the bargaining unit exclusive representative of the teachers in a school district have not ratified shall both sign a contract by January 15, 1990, for the two-year period ending June 30, 1991, the district is no longer eligible for \$25 of the formula allowance for fiscal year 1990 collective bargaining agreement before the first day that pupils attend school in September in an odd-numbered calendar year. The total amount of money that would have been paid to districts that are not eligible according to this subdivision General education aid shall be increased by \$10 times the number of actual pupil units for each employer that has signed a collective bargaining agreement by that date. If a collective bargaining agreement is not signed by that date, state aid paid to the public employer for that fiscal year shall be reduced."

Page 2, line 2, delete "December 31" and insert "August 15"

Page 2, line 4, delete "January 15" and insert "the first day that pupils attend school in September" and delete "even-numbered" and insert "odd-numbered"

Page 2, after line 19, insert:

"(d) The increase shall equal \$10 times the number of actual pupil units:

(1) for a school district, that are in the district during that fiscal year; or

(2) for a public employer other than a school district, that are in programs provided by the employer during the preceding fiscal year.

The department of education shall determine the number of full-time equivalent actual pupil units in the programs. The department of education shall increase general education aid; if general education aid is not paid, the department shall increase other state aids."

Page 2, line 20, delete "(d)" and insert "(e)"

The question was taken on the adoption of the Knutson amendment to the Morse amendment to the first Peterson, R.W. amendment.

The roll was called, and there were yeas 26 and nays 34, as follows:

Those who voted in the affirmative were:

Anderson	Dahl	Knaak	Olson	Stumpf
Beckman	Davis	Knutson	Pariseau	Vickerman
Belanger	Decker	Laidig	Piepho	
Benson	Frederick	McGowan	Ramstad	
Bernhagen	Frederickson, D.R.	McQuaid	Renneke	
Brataas	Johnson, D.E.	Novak	Storm	

Those who voted in the negative were:

Adkins	Diessner	Kroening	Moe, D.M.	Purfeerst
Berglin	Flynn	Langseth	Moe, R. D.	Reichgott
Bertram	Frank	Lantry	Morse	Samuelson
Brandl	Frederickson, D.J.	Lessard	Pehler	Schmitz
Cohen	Freeman	Luther	Peterson, R. W.	Spear
DeCramer	Hughes	Merriam	Piper	Waldorf
Dicklich	Johnson, D.J.	Metzen	Pogemiller	

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

H.F. No. 2200 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 2478:

H.F. No. 2478: A bill for an act relating to the financing and operation of government in Minnesota; updating references to the Internal Revenue Code; changing the computation of aid to local units of governments; modifying the computation and administration of taxes and property tax refunds; providing tax deductions and exemptions; changing the tax rates; authorizing certain local governments to borrow money; providing a food shelf checkoff; changing definition of debt for the revenue recapture act;

providing certain rights and remedies to taxpayers; modifying the requirements for the collection and expenditure of tax increments; repealing the increase in the maximum lodging tax; allowing the sale of certain tax forfeited land in Otter Tail county; allowing the cities of Bayport, Windom, and Jackson and the counties of Goodhue, Douglas, and Koochiching to levy taxes for certain purposes; requiring certain uses of tax increments by the city of Minneapolis; exempting the city of Moorhead from certain requirements; permitting the cities of Bloomington and Roseville to impose lodging taxes; changing truth-in-taxation requirements; requiring payment of the prevailing wage for financial assistance; requiring reports and studies; imposing and transferring powers and duties; changing certain effective dates; increasing certain fees; providing for payment of the greater Minnesota landfill fee; imposing a minimum fee on corporations; providing for withholding of certain refunds; requiring an appropriation by the metropolitan sports facilities commission; reducing and transferring appropriations; canceling certain debts; appropriating money; amending Minnesota Statutes 1988, sections 270.07, by adding a subdivision; 270.70, subdivisions 1, 2, 4, 8, and by adding subdivisions; 270.701, by adding a subdivision; 270.709, subdivision 1; 270A.03, subdivisions 2 and 5; 271.12; 271.19; 273.11, by adding a subdivision; 273.124, by adding a subdivision; 273.1398, by adding a subdivision; 273.42, subdivision 1; 275.065, by adding a subdivision; 276.111; 277.15; 279.03, subdivision 2, and by adding a subdivision; 279.06; 281.17; 282.01, subdivision 4; 282.014; 282.261, subdivision 2; 289A.11, as added, by adding a subdivision; 290.431; 290.50, by adding a subdivision; 290A.10; 290A.19; 296.02, subdivision 1a; 296.025, subdivision 1a; 296.06, subdivision 2; 296.12, subdivisions 1 and 2; 296.17, subdivisions 10 and 17; 297.07, subdivision 5; 297A.01, subdivision 15; 297A.25, by adding a subdivision; 298.015, subdivision 1; 298.017; 298.05; 298.24, subdivision 1; 469.059, subdivision 11; 469.129, subdivision 2; 469.171, by adding a subdivision; 469.174, subdivision 12, and by adding subdivisions; 469.175, subdivision 1a, and by adding subdivisions; 469.176, subdivisions 2 and 3; 469.177, subdivision 8; 477A.011, subdivision 17, and by adding a subdivision; 477A.012, subdivision 1, and by adding a subdivision; 477A.013, by adding a subdivision; 477A.03, subdivision 1; 477A.11, subdivision 4; 477A.13; and 500.24, subdivision 4; Minnesota Statutes 1989 Supplement, sections 270.10, subdivision 1a; 270.69, subdivision 11; 273.11, subdivision 1; 273.112, subdivision 3; 273.124, subdivisions 8 and 9; 275.08, subdivision 1d; 278.05, subdivision 4; 279.01, subdivision 1; 282.01, subdivision 1; 290.01, subdivision 19; 290A.04, subdivision 5; 290A.045, subdivision 7; 375.192, subdivision 2; 383.06; 410.32; 462.396, subdivision 2; 469.175, subdivision 4; 469.176, subdivision 4c; 469.177, subdivision 9; and 469.190, subdivisions 1 and 2; Minnesota Statutes Second 1989 Supplement, sections 3.885, subdivision 8; 60A.15, subdivision 1; 103B.3369, subdivisions 5 and 7; 272.02, subdivision 4; 273.13, subdivisions 22, 23, and 25; 273.1398, subdivisions 1 and 2; 273.371, subdivision 1; 275.065, subdivisions 1 and 6; 275.07, subdivision 1; 275.50, subdivision 5; 275.51, subdivision 3f; 276.09; 276.10; 276.11, subdivision 1; 277.01, subdivision 1; 277.02; 277.05; 277.06; 290.05, subdivision 1; 290.06, subdivision 1; 290.091, subdivision 2; 290.0921, subdivisions 1, 3, and by adding a subdivision; 290A.04, subdivision 2a; 290A.045, subdivision 6; 297A.01, subdivision 3; 297A.44, subdivision 1; 469.174, subdivisions 7 and 10; 469.175, subdivisions 3 and 7; 469.176, subdivisions 1 and 4j; 469.177, subdivision 10; 469.190, subdivision 3; 477A.011, subdivisions 1a and 25; and 477A.013, subdivisions 3 and 5; Laws 1988, chapter 719, article 12, section 30, as amended;

Laws 1989, chapters 326, article 3, section 49; and 353, section 13; and Laws 1989, First Special Session chapter 1, articles 3, section 32, subdivisions 1 and 2; 5, section 52; and 10, section 45; proposing coding for new law in Minnesota Statutes, chapters 134; 116J; 268; 270; 273; 290; and 469; repealing Minnesota Statutes 1989 Supplement, sections 115A.922; 115A.923, subdivisions 2, 3, 4, and 5; 115A.924; 115A.925; 115A.927; 115A.928; 290.06, subdivision 1a; and 375.192, subdivision 1; Minnesota Statutes Second 1989 Supplement, 273.1398, subdivision 2b.

The House respectfully requests that a Conference Committee of 5 members be appointed thereon.

Ogren, Long, Rest, Pauly and Olson, E. have been appointed as such committee on the part of the House.

House File No. 2478 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 2, 1990

Mr. Johnson, D.J. moved that the Senate accede to the request of the House for a Conference Committee on H.F No. 2478, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Peterson, R.W. moved that S.F No. 1898, No. 11 on Special Orders, be stricken and laid on the table. The motion prevailed.

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

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Messrs. Morse and Peterson, R.W. introduced—

S.F No. 2624: A bill for an act relating to administrative procedure; providing procedures for the adoption and review of administrative rules and the determination of administrative disputes; providing for publication of administrative rules and disposition of administrative appeals; enacting the model administrative procedure act; proposing coding for new law as Minnesota Statutes, chapter 14A; repealing Minnesota Statutes 1988, sections 14.01 to 14.69.

Referred to the Committee on Governmental Operations.

Mr. Metzen introduced—

S.F No. 2625: A bill for an act relating to occupations and professions; requiring licensing for gas fitters by the commissioner of health; amending

Minnesota Statutes 1988, section 326.01, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 326.

Referred to the Committee on Employment.

Mr. Metzen introduced—

S.F. No. 2626: A bill for an act relating to education; establishing a program for the state to match gifts to endowments for certain academic curricular programs; directing the state board of education to administer the program; permitting rulemaking; proposing coding for new law in Minnesota Statutes, chapter 121.

Referred to the Committee on Education.

Mr. Metzen introduced—

S.F. No. 2627: A bill for an act relating to lawful gambling; reducing the distributor's license fee; removing the disqualification of alcoholic beverage wholesalers or employees from obtaining licenses; amending Minnesota Statutes 1989 Supplement, section 349.161, subdivisions 4 and 5.

Referred to the Committee on General Legislation and Public Gaming.

Mr. Metzen introduced—

S.F. No. 2628: A bill for an act relating to game and fish; requiring a resident age 65 or older to receive an antlerless deer permit when purchasing a firearms deer license; amending Minnesota Statutes 1988, section 97A.451, by adding a subdivision.

Referred to the Committee on Environment and Natural Resources.

Messrs. Spear; Benson; Moe, R.D.; Merriam and Knaak introduced—

S.F. No. 2629: A bill for an act relating to legislative enactments; providing for the correction of miscellaneous oversights, inconsistencies, ambiguities, unintended results, and technical errors of a noncontroversial nature; amending Minnesota Statutes 1988, section 343.21, subdivision 10, as amended.

Referred to the Committee on Rules and Administration.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

S.F. No. 2621: Mr. Samuelson, Ms. Berglin, Piper, Messrs. Knutson and Solon.

H.F. No. 2478: Messrs. Johnson, D.J.; Novak; Pogemiller; Stumpf and Belanger.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

MEMBERS EXCUSED

Mr. Gustafson was excused from the Session of today at 4:00 p.m. Mr. DeCramer was excused from the Session of today from 12:00 noon to 1:30 p.m. Mr. Cohen was excused from the Session of today from 12:00 noon to 2:00 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:00 noon, Tuesday, April 3, 1990. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate