

FORTY-SECOND DAY

St. Paul, Minnesota, Friday, April 23, 1993

The Senate met at 8:30 a.m. and was called to order by the President.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Richard Keene Smith.

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

Adkins	Dille	Kroening	Murphy	Runbeck
Anderson	Finn	Laidig	Neuville	Sams
Beckman	Flynn	Langseth	Novak	Samuelson
Belanger	Frederickson	Larson	Oliver	Solon
Benson, D.D.	Hottinger	Lesewski	Olson	Spear
Benson, J.E.	Janezich	Lessard	Pappas	Stevens
Berg	Johnson, D.E.	Luther	Pariseau	Stumpf
Berglin	Johnson, D.J.	Marty	Piper	Terwilliger
Bertram	Johnson, J.B.	McGowan	Pogemiller	Vickerman
Betzold	Johnston	Merriam	Price	Wiener
Chandler	Kelly	Metzen	Ranum	
Chmielewski	Kiscaden	Moe, R.D.	Reichgott	
Cohen	Knutson	Mondale	Riveness	
Day	Krentz	Morse	Robertson	

The President declared a quorum present.

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

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 854, 1122 and 1205.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 22, 1993

FIRST READING OF HOUSE BILLS

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

H.F. No. 854: A bill for an act relating to drivers' licenses; eliminating driver's license endorsement requirement for special transportation service drivers; amending Minnesota Statutes 1992, sections 171.02, subdivision 2; 171.10, subdivision 2; and 171.13, subdivision 5; repealing Minnesota Statutes 1992, sections 171.01, subdivision 24; and 171.323.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1216, now on General Orders.

H.F. No. 1122: A bill for an act relating to transportation; prohibiting parking in transit stops marked with a handicapped sign; establishing priority for transit in energy emergencies; requiring motor vehicles to yield to transit buses entering traffic; amending Minnesota Statutes 1992, sections 169.01, by adding a subdivision; 169.20, by adding a subdivision; 169.346, subdivision 1; and 216C.15, subdivision 1.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1142, now on General Orders.

H.F. No. 1205: A bill for an act relating to courts; making the housing calendar consolidation projects in the second and fourth judicial districts permanent law; providing that the law requiring that fines collected for violations of building repair orders must be used for the housing calendar consolidation projects is permanent; amending Laws 1989, chapter 328, article 2, section 17; repealing Laws 1989, chapter 328, article 2, sections 18 and 19.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1192, now on General Orders.

REPORTS OF COMMITTEES

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

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

H.F. No. 1398 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1398	1264				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1398 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1398 and insert the language after the enacting clause of S.F. No. 1264, the first engrossment; further, delete the title of H.F. No. 1398 and insert the title of S.F. No. 1264, the first engrossment.

And when so amended H.F. No. 1398 will be identical to S.F. No. 1264, and further recommends that H.F. No. 1398 be given its second reading and

substituted for S.F. No. 1264, 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. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1442 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1442	980				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1442 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1442 and insert the language after the enacting clause of S.F. No. 980, the first engrossment; further, delete the title of H.F. No. 1442 and insert the title of S.F. No. 980, the first engrossment.

And when so amended H.F. No. 1442 will be identical to S.F. No. 980, and further recommends that H.F. No. 1442 be given its second reading and substituted for S.F. No. 980, 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. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 974 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
974	1013				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 974 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 974 and insert the language after the enacting clause of S.F. No. 1013, the first engrossment; further, delete the title of H.F. No. 974 and insert the title of S.F. No. 1013, the first engrossment.

And when so amended H.F. No. 974 will be identical to S.F. No. 1013, and further recommends that H.F. No. 974 be given its second reading and

substituted for S.F. No. 1013, 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. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1169 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1169	1228				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1169 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1169 and insert the language after the enacting clause of S.F. No. 1228, the first engrossment; further, delete the title of H.F. No. 1169 and insert the title of S.F. No. 1228, the first engrossment.

And when so amended H.F. No. 1169 will be identical to S.F. No. 1228, and further recommends that H.F. No. 1169 be given its second reading and substituted for S.F. No. 1228, and that the Senate File be indefinitely postponed.

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

SECOND READING OF HOUSE BILLS

H.F. Nos. 1398, 1442, 974 and 1169 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Kelly moved that his name be stricken as chief author, shown as a co-author and the name of Mr. Riveness be added as chief author to S.F. No. 553. The motion prevailed.

Ms. Anderson moved that the name of Ms. Johnson, J.B. be added as a co-author to S.F. No. 1087. The motion prevailed.

Mr. Langseth moved that the name of Ms. Hanson be added as a co-author to S.F. No. 1251. The motion prevailed.

CALENDAR

H.F. No. 576: A bill for an act relating to state government; providing for appointments to advisory task forces, councils, and committees, administra-

tive boards, and agencies; clarifying reporting requirements and term limits; amending Minnesota Statutes 1992, sections 15.014, subdivision 2; 15.0575, subdivision 2; 15.059, subdivision 2; 15.0597, subdivisions 2, 4, 5, and 7; and 214.09, 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 57 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dille	Langseth	Neuville	Sams
Anderson	Finn	Larson	Novak	Samuelson
Belanger	Flynn	Lesewski	Oliver	Solon
Benson, D.D.	Frederickson	Lessard	Olson	Spear
Benson, J.E.	Hottinger	Luther	Pappas	Stevens
Berg	Johnson, D.E.	Marty	Piper	Stumpf
Bertram	Johnson, D.J.	McGowan	Pogemiller	Terwilliger
Betzold	Johnson, J.B.	Merriam	Price	Vickerman
Chandler	Johnston	Metzen	Ranum	Wiener
Chmielewski	Kiscaden	Moe, R.D.	Riveness	
Cohen	Knutson	Morse	Robertson	
Day	Kroening	Murphy	Runbeck	

So the bill passed and its title was agreed to.

H.F. No. 57: A bill for an act relating to traffic regulations; making technical corrections; clarifying situations when certain school bus signals should not be used; providing evidentiary presumption regarding school buses; clarifying definition of special transportation as not including transportation of children by school bus; limiting weight of vehicles that may be towed by holder of class B driver's license; providing for revocation of school bus driver endorsement; amending Minnesota Statutes 1992, sections 169.443, subdivision 3; 169.444, subdivision 7; 171.01, subdivision 24; 171.02, subdivision 2; and 171.17, subdivision 1.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 57 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dille	Langseth	Neuville	Sams
Anderson	Finn	Larson	Novak	Samuelson
Belanger	Flynn	Lesewski	Oliver	Solon
Benson, D.D.	Frederickson	Lessard	Olson	Spear
Benson, J.E.	Hottinger	Luther	Pappas	Stevens
Berg	Johnson, D.E.	Marty	Piper	Stumpf
Bertram	Johnson, D.J.	McGowan	Pogemiller	Terwilliger
Betzold	Johnson, J.B.	Merriam	Price	Vickerman
Chandler	Johnston	Metzen	Ranum	Wiener
Chmielewski	Kiscaden	Moe, R.D.	Riveness	
Cohen	Knutson	Morse	Robertson	
Day	Kroening	Murphy	Runbeck	

So the bill passed and its title was agreed to.

S.F. No. 672: A bill for an act relating to traffic regulations; providing for

the traffic offense of failure to maintain control of a vehicle; providing penalty; proposing coding for new law in Minnesota Statutes, chapter 169.

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 2, as follows:

Those who voted in the affirmative were:

Adkins	Dille	Larson	Novak	Sams
Anderson	Flynn	Lesewski	Oliver	Solon
Belanger	Frederickson	Lessard	Olson	Spear
Benson, D.D.	Hottinger	Luther	Pappas	Stevens
Benson, J.E.	Johnson, D.E.	Marty	Piper	Stumpf
Berg	Johnson, D.J.	McGowan	Pogemiller	Terwilliger
Bertram	Johnson, J.B.	Merriam	Price	Vickerman
Betzold	Johnston	Metzen	Ranum	Wiener
Chandler	Kiscaden	Moe, R.D.	Reichgott	
Chmielewski	Knutson	Morse	Riveness	
Cohen	Kroening	Murphy	Robertson	
Day	Langseth	Neuville	Runbeck	

Messrs. Finn and Samuelson voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 653: A bill for an act relating to town roads; permitting cartways to be established on alternative routes; amending Minnesota Statutes 1992, section 164.08, 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 58 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Knutson	Neuville	Runbeck
Anderson	Dille	Kroening	Novak	Sams
Beckman	Finn	Langseth	Oliver	Samuelson
Belanger	Flynn	Larson	Olson	Solon
Benson, D.D.	Frederickson	Lesewski	Pappas	Spear
Benson, J.E.	Hottinger	Lessard	Piper	Stevens
Berg	Janezich	Luther	Pogemiller	Stumpf
Bertram	Johnson, D.E.	Marty	Price	Terwilliger
Betzold	Johnson, D.J.	McGowan	Ranum	Vickerman
Chandler	Johnson, J.B.	Merriam	Reichgott	Wiener
Chmielewski	Johnston	Metzen	Riveness	
Cohen	Kiscaden	Morse	Robertson	

So the bill passed and its title was agreed to.

S.F. No. 1368: A bill for an act relating to the environment; imposing criminal penalties for knowing violations of air pollution requirements; amending Minnesota Statutes 1992, section 609.671, subdivisions 9 and 12.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 57 and nays 2, as follows:

Those who voted in the affirmative were:

Adkins	Day	Kroening	Murphy	Runbeck
Anderson	Finn	Langseth	Neuville	Sams
Beckman	Flynn	Larson	Oliver	Samuelson
Belanger	Frederickson	Lesewski	Olson	Solon
Benson, D.D.	Hottinger	Lessard	Pappas	Spear
Benson, J.E.	Janezich	Luther	Piper	Stumpf
Berg	Johnson, D.E.	Marty	Pogemiller	Terwilliger
Bertram	Johnson, D.J.	McGowan	Price	Vickerman
Betzold	Johnson, J.B.	Merriam	Ranum	Wiener
Chandler	Johnston	Metzen	Reichgott	
Chmielewski	Kiscaden	Moe, R.D.	Riveness	
Cohen	Knutson	Morse	Robertson	

Messrs. Dille and Stevens voted in the negative.

So the bill passed and its title was agreed to.

H.F. No. 846: A bill for an act relating to civil commitment; authorizing new procedures for return of certain patients who are absent from treatment facilities without authorization; amending Minnesota Statutes 1992, section 253B.23, subdivision 1a.

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 60 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Knutson	Morse	Riveness
Anderson	Dille	Kroening	Murphy	Robertson
Beckman	Finn	Langseth	Neuville	Runbeck
Belanger	Flynn	Larson	Novak	Sams
Benson, D.D.	Frederickson	Lesewski	Oliver	Samuelson
Benson, J.E.	Hottinger	Lessard	Olson	Solon
Berg	Janezich	Luther	Pappas	Spear
Bertram	Johnson, D.E.	Marty	Piper	Stevens
Betzold	Johnson, D.J.	McGowan	Pogemiller	Stumpf
Chandler	Johnson, J.B.	Merriam	Price	Terwilliger
Chmielewski	Johnston	Metzen	Ranum	Vickerman
Cohen	Kiscaden	Moe, R.D.	Reichgott	Wiener

So the bill passed and its title was agreed to.

H.F. No. 661: A bill for an act relating to agriculture; regulating dairy trade practices; providing for fees; changing enforcement procedures; amending Minnesota Statutes 1992, sections 32A.01; 32A.02; 32A.04; 32A.05, subdivisions 1, 4, and by adding subdivisions; 32A.07; 32A.071; 32A.08; and 32A.09, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 32A; repealing Minnesota Statutes 1992, sections 32A.03; 32A.05, subdivision 3; and 32A.09, subdivisions 5 and 6.

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 60 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Knutson	Morse	Riveness
Anderson	Day	Kroening	Murphy	Robertson
Beckman	Dille	Langseth	Neuville	Runbeck
Belanger	Flynn	Larson	Novak	Sams
Benson, D.D.	Frederickson	Lesewski	Oliver	Samuelson
Benson, J.E.	Hottinger	Lessard	Olson	Solon
Berg	Janezich	Luther	Pappas	Spear
Berglin	Johnson, D.E.	Marty	Piper	Stevens
Bertram	Johnson, D.J.	McGowan	Pogemiller	Stumpf
Betzold	Johnson, J.B.	Merriam	Price	Terwilliger
Chandler	Johnston	Metzen	Ranum	Vickerman
Chmielewski	Kiscaden	Moe, R.D.	Reichgott	Wiener

Mr. Finn voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 167: A bill for an act relating to insurance; health; modifying eligibility for the private employers insurance program and small employer insurance coverages; amending Minnesota Statutes 1992, sections 43A.317, subdivision 5; and 62L.02, subdivision 26.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Day	Kroening	Neuville	Sams
Anderson	Dille	Langseth	Novak	Samuelson
Beckman	Finn	Larson	Oliver	Solon
Belanger	Flynn	Lesewski	Olson	Spear
Benson, D.D.	Frederickson	Lessard	Pappas	Stevens
Benson, J.E.	Hottinger	Luther	Piper	Stumpf
Berg	Janezich	Marty	Pogemiller	Terwilliger
Berglin	Johnson, D.E.	McGowan	Price	Vickerman
Bertram	Johnson, D.J.	Merriam	Ranum	Wiener
Betzold	Johnson, J.B.	Metzen	Reichgott	
Chandler	Johnston	Moe, R.D.	Riveness	
Chmielewski	Kiscaden	Morse	Robertson	
Cohen	Knutson	Murphy	Runbeck	

So the bill passed and its title was agreed to.

H.F. No. 670: A bill for an act relating to insurance; health; regulating benefits for outpatient mental or nervous disorder treatment; amending Minnesota Statutes 1992, section 62A.152, subdivisions 2 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 61 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Kroening	Neuville	Sams
Anderson	Dille	Langseth	Novak	Samuelson
Beckman	Finn	Larson	Oliver	Solon
Belanger	Flynn	Lesewski	Olson	Spear
Benson, D.D.	Frederickson	Lessard	Pappas	Stevens
Benson, J.E.	Hottinger	Luther	Piper	Stumpf
Berg	Janezich	Marty	Pogemiller	Terwilliger
Berglin	Johnson, D.E.	McGowan	Price	Vickerman
Bertram	Johnson, D.J.	Merriam	Ranum	Wiener
Betzold	Johnson, J.B.	Metzen	Reichgott	
Chandler	Johnston	Moe, R.D.	Riveness	
Chmielewski	Kiscaden	Morse	Robertson	
Cohen	Knutson	Murphy	Runbeck	

So the bill passed and its title was agreed to.

S.F. No. 240: A bill for an act relating to health; changing the membership requirements of the board of nursing; amending Minnesota Statutes 1992, section 148.181, subdivision 1.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Day	Kroening	Neuville	Sams
Anderson	Dille	Langseth	Novak	Samuelson
Beckman	Finn	Larson	Oliver	Solon
Belanger	Flynn	Lesewski	Olson	Spear
Benson, D.D.	Frederickson	Lessard	Pappas	Stevens
Benson, J.E.	Hottinger	Luther	Piper	Stumpf
Berg	Janezich	Marty	Pogemiller	Terwilliger
Berglin	Johnson, D.E.	McGowan	Price	Vickerman
Bertram	Johnson, D.J.	Merriam	Ranum	Wiener
Betzold	Johnson, J.B.	Metzen	Reichgott	
Chandler	Johnston	Moe, R.D.	Riveness	
Chmielewski	Kiscaden	Morse	Robertson	
Cohen	Knutson	Murphy	Runbeck	

So the bill passed and its title was agreed to.

SUSPENSION OF RULES

Mr. Moe, R.D. moved that the rules of the Senate be so far suspended as to waive the lie-over requirement for the remainder of the Calendar. The motion prevailed.

S.F. No. 122: A bill for an act relating to human services; requiring a minimum funding level for each grantee under the Head Start program which is no less than that of fiscal year 1993; amending Minnesota Statutes 1992, section 268.914, subdivision 1; repealing Minnesota Statutes 1992, section 268.914, 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 61 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Kroening	Neuville	Sams
Anderson	Dille	Langseth	Novak	Samuelson
Beckman	Finn	Larson	Oliver	Solon
Belanger	Flynn	Lesewski	Olson	Spear
Benson, D.D.	Frederickson	Lessard	Pappas	Stevens
Benson, J.E.	Hottinger	Luther	Piper	Stumpf
Berg	Janezich	Marty	Pogemiller	Terwilliger
Berglin	Johnson, D.E.	McGowan	Price	Vickerman
Bertram	Johnson, D.J.	Merriam	Ranum	Wiener
Betzold	Johnson, J.B.	Metzen	Reichgott	
Chandler	Johnston	Moe, R.D.	Riveness	
Chmielewski	Kiscaden	Morse	Robertson	
Cohen	Knutson	Murphy	Runbeck	

So the bill passed and its title was agreed to.

S.F. No. 1161: A bill for an act relating to crime; expanding definition of domestic abuse to include terroristic threats; allowing child abuse interviews to be conducted at a designated location; amending Minnesota Statutes 1992, sections 518B.01, subdivision 2; and 626.556, subdivision 10.

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 60 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Kiscaden	Moe, R.D.	Riveness
Anderson	Day	Knutson	Morse	Robertson
Beckman	Dille	Kroening	Murphy	Runbeck
Belanger	Finn	Langseth	Neuville	Sams
Benson, D.D.	Flynn	Larson	Novak	Samuelson
Benson, J.E.	Frederickson	Lesewski	Olson	Solon
Berg	Hottinger	Lessard	Pappas	Spear
Berglin	Janezich	Luther	Piper	Stevens
Bertram	Johnson, D.E.	Marty	Pogemiller	Stumpf
Betzold	Johnson, D.J.	McGowan	Price	Terwilliger
Chandler	Johnson, J.B.	Merriam	Ranum	Vickerman
Chmielewski	Johnston	Metzen	Reichgott	Wiener

So the bill passed and its title was agreed to.

S.F. No. 1060: A bill for an act relating to crime; sentencing; clarifying that a misdemeanor conviction in which the court stays imposition of sentence is nevertheless counted as a misdemeanor for purposes of determining the penalty for a subsequent offense; amending Minnesota Statutes 1992, section 609.13, by adding a subdivision.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Knutson	Morse	Riveness
Anderson	Dille	Kroening	Murphy	Robertson
Beckman	Finn	Langseth	Neuville	Runbeck
Belanger	Flynn	Larson	Novak	Sams
Benson, D.D.	Frederickson	Lesewski	Oliver	Samuelson
Benson, J.E.	Hottinger	Lessard	Olson	Solon
Berg	Janezich	Luther	Pappas	Spear
Berglin	Johnson, D.E.	Marty	Piper	Stevens
Bertram	Johnson, D.J.	McGowan	Pogemiller	Stumpf
Betzold	Johnson, J.B.	Merriam	Price	Terwilliger
Chandler	Johnston	Metzen	Ranum	Vickerman
Cohen	Kiscaden	Moe, R.D.	Reichgott	Wiener

So the bill passed and its title was agreed to.

S.F. No. 1129: A bill for an act relating to financial institutions; regulating institutions, deposits, rates and charges, enforcement provisions; modifying the definition of insurance premium finance licensee; amending Minnesota Statutes 1992, sections 45.025, by adding a subdivision; 46.044; 46.048, subdivision 1; 46.09; 47.0156; 47.096; 47.20, subdivision 4a; 47.52; 47.54, subdivision 4; 47.55, subdivision 1; 47.56; 48.04; 48.05; 48.09; 48.194; 48.24, subdivisions 1, 7, and 8; 48.61, subdivisions 2, 3, and 4; 49.35; 49.36, subdivisions 1 and 4; 51A.02, subdivision 43; 52.04, subdivision 1, and by adding a subdivision; 52.12; 53.03, subdivision 5; 53.04, by adding a subdivision; 53.09, by adding a subdivision; 56.10; 56.131, subdivision 1; 56.155, subdivision 1; 59A.06, subdivision 3; 82B.03, subdivision 2; 300.20, subdivision 2; 300.21; 336.4-104; proposing coding for new law in Minnesota Statutes, chapter 56; repealing Minnesota Statutes 1992, sections 46.048, subdivision 2; and 48.24, 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 61 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Kroening	Neuville	Sams
Anderson	Dille	Langseth	Novak	Samuelson
Beckman	Finn	Larson	Oliver	Solon
Belanger	Flynn	Lesewski	Olson	Spear
Benson, D.D.	Frederickson	Lessard	Pappas	Stevens
Benson, J.E.	Hottinger	Luther	Piper	Stumpf
Berg	Janezich	Marty	Pogemiller	Terwilliger
Berglin	Johnson, D.E.	McGowan	Price	Vickerman
Bertram	Johnson, D.J.	Merriam	Ranum	Wiener
Betzold	Johnson, J.B.	Metzen	Reichgott	
Chandler	Johnston	Moe, R.D.	Riveness	
Chmielewski	Kiscaden	Morse	Robertson	
Cohen	Knutson	Murphy	Runbeck	

So the bill passed and its title was agreed to.

S.F. No. 872: A bill for an act relating to game and fish; abolishing the nonresident bear guide license; repealing Minnesota Statutes 1992, section 97A.475, subdivision 17.

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 15, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Larson	Neuville	Sams
Anderson	Day	Lessard	Novak	Samuelson
Beckman	Dille	Luther	Oliver	Solon
Belanger	Finn	Marty	Olson	Spear
Benson, D.D.	Hottinger	McGowan	Piper	Stevens
Berg	Janezich	Metzen	Price	Stumpf
Bertram	Knutson	Moe, R.D.	Reichgott	Vickerman
Chandler	Kroening	Morse	Riveness	Wiener
Chmielewski	Langseth	Murphy	Runbeck	

Those who voted in the negative were:

Benson, J.E.	Frederickson	Johnson, J.B.	Lesewski	Ranum
Berglin	Johnson, D.E.	Johnston	Merriam	Robertson
Betzold	Johnson, D.J.	Kiscaden	Pappas	Terwilliger

So the bill passed and its title was agreed to.

S.F. No. 639: A bill for an act relating to the environment; providing for the disposal of ash from incinerators operated by the Western Lake Superior Sanitary District; amending Minnesota Statutes 1992, section 458D.07, subdivision 3.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 55 and nays 5, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Knutson	Moe, R.D.	Riveness
Beckman	Day	Kroening	Murphy	Robertson
Belanger	Dille	Langseth	Neuville	Runbeck
Benson, D.D.	Finn	Larson	Novak	Sams
Benson, J.E.	Flynn	Lesewski	Oliver	Samuelson
Berg	Frederickson	Lessard	Olson	Solon
Berglin	Janezich	Luther	Piper	Spear
Bertram	Johnson, D.E.	Marty	Pogmiller	Stevens
Betzold	Johnson, D.J.	McGowan	Price	Stumpf
Chandler	Johnston	Merriam	Ranum	Terwilliger
Chmielewski	Kiscaden	Metzen	Reichgott	Vickerman

Those who voted in the negative were:

Anderson	Hottinger	Johnson, J.B.	Morse	Wiener
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So the bill passed and its title was agreed to.

S.F. No. 105: A bill for an act relating to crime; repealing authority of conference of chief judges to establish a schedule of misdemeanors to be treated as petty misdemeanors; amending Minnesota Statutes 1992, section 609.101, subdivision 4; repealing Minnesota Statutes 1992, section 609.131, subdivision 1a.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 58 and nays 3, as follows:

Those who voted in the affirmative were:

Adkins	Day	Langseth	Neuville	Runbeck
Anderson	Dille	Larson	Novak	Sams
Beckman	Flynn	Lesewski	Oliver	Samuelson
Belanger	Frederickson	Lessard	Olson	Solon
Benson, D.D.	Hottinger	Luther	Pappas	Spear
Benson, J.E.	Janezich	Marty	Piper	Stevens
Berg	Johnson, D.E.	McGowan	Pogemiller	Stumpf
Berglin	Johnson, D.J.	Merriam	Price	Terwilliger
Bertram	Johnson, J.B.	Metzen	Ranum	Vickerman
Betzold	Johnston	Moe, R.D.	Reichgott	Wiener
Chandler	Kiscaden	Morse	Riveness	
Cohen	Knutson	Murphy	Robertson	

Messrs. Chmielewski, Finn and Kroening voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 1315: A bill for an act relating to burial grounds; creating a council of traditional Indian practitioners to make recommendations regarding the management, treatment, and protection of Indian burial grounds and of human remains or artifacts contained in or removed from those grounds; proposing coding for new law in Minnesota Statutes, chapter 307.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Day	Kroening	Neuville	Sams
Anderson	Dille	Langseth	Novak	Samuelson
Beckman	Finn	Larson	Oliver	Solon
Belanger	Flynn	Lesewski	Olson	Spear
Benson, D.D.	Frederickson	Lessard	Pappas	Stevens
Benson, J.E.	Hottinger	Luther	Piper	Stumpf
Berg	Janezich	Marty	Pogemiller	Terwilliger
Berglin	Johnson, D.E.	McGowan	Price	Vickerman
Bertram	Johnson, D.J.	Merriam	Ranum	Wiener
Betzold	Johnson, J.B.	Metzen	Reichgott	
Chandler	Johnston	Moe, R.D.	Riveness	
Chmielewski	Kiscaden	Morse	Robertson	
Cohen	Knutson	Murphy	Runbeck	

So the bill passed and its title was agreed to.

S.F. No. 1006: A bill for an act relating to veterans; authorizing the veterans homes board to define residency by board rule; amending Minnesota Statutes 1992, section 198.022.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Bertram	Flynn	Kiscaden	Marty
Anderson	Betzold	Frederickson	Knutson	McGowan
Beckman	Chandler	Hottinger	Kroening	Merriam
Belanger	Chmielewski	Janezich	Langseth	Metzen
Benson, D.D.	Cohen	Johnson, D.E.	Larson	Moe, R.D.
Benson, J.E.	Day	Johnson, D.J.	Lesewski	Morse
Berg	Dille	Johnson, J.B.	Lessard	Murphy
Berglin	Finn	Johnston	Luther	Neuville

Novak	Pogemiller	Robertson	Spear	Wiener
Oliver	Price	Runbeck	Stevens	
Olson	Ranum	Sams	Stumpf	
Pappas	Reichgott	Samuelson	Terwilliger	
Piper	Riveness	Solon	Vickerman	

So the bill passed and its title was agreed to.

S.F. No. 1221: A bill for an act relating to motor vehicles; requiring license plates to stay with motor carrier on prorate truck; changing the registration period for prorate vehicles; excepting prorate vehicles from renewal notice requirements; making owner-operator subject to suspension of plates and international fuel tax agreement license for certain delinquent filings or payments; authorizing warning lamps on solid waste collection vehicles; amending Minnesota Statutes 1992, sections 168.09, subdivisions 3 and 5; 168.12, subdivision 1; 168.187, subdivision 26; 168.31, subdivision 4a; and 169.64, by adding a subdivision.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Day	Kroening	Neuville	Sams
Anderson	Dille	Langseth	Novak	Samuelson
Beckman	Finn	Larson	Oliver	Solon
Belanger	Flynn	Lesewski	Olson	Spear
Benson, D.D.	Frederickson	Lessard	Pappas	Stevens
Benson, J.E.	Hottinger	Luther	Piper	Stumpf
Berg	Janezich	Marty	Pogemiller	Terwilliger
Berglin	Johnson, D.E.	McGowan	Price	Vickerman
Bertram	Johnson, D.J.	Merriam	Ranum	Wiener
Betzold	Johnson, J.B.	Metzen	Reichgott	
Chandler	Johnston	Moe, R.D.	Riveness	
Chmielewski	Kiscaden	Morse	Robertson	
Cohen	Knutson	Murphy	Runbeck	

So the bill passed and its title was agreed to.

H.F. No. 546: A bill for an act relating to outdoor recreation; prohibiting motor sports areas within the Dorer Memorial Hardwood Forest without county and township board approval.

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 60 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Knutson	Morse	Riveness
Anderson	Day	Kroening	Murphy	Robertson
Beckman	Dille	Langseth	Neuville	Runbeck
Belanger	Finn	Larson	Novak	Sams
Benson, D.D.	Flynn	Lesewski	Oliver	Samuelson
Benson, J.E.	Frederickson	Lessard	Olson	Solon
Berg	Hottinger	Luther	Pappas	Spear
Berglin	Janezich	Marty	Piper	Stevens
Bertram	Johnson, D.E.	McGowan	Pogemiller	Stumpf
Betzold	Johnson, D.J.	Merriam	Price	Terwilliger
Chandler	Johnston	Metzen	Ranum	Vickerman
Chmielewski	Kiscaden	Moe, R.D.	Reichgott	Wiener

So the bill passed and its title was agreed to.

S.F. No. 636: A bill for an act relating to pollution control; requiring a study of the feasibility of including the city of Red Wing in the state financial assistance program for combined sewer overflow.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Day	Kroening	Neuville	Sams
Anderson	Dille	Langseth	Novak	Samuelson
Beckman	Finn	Larson	Oliver	Solon
Belanger	Flynn	Lesewski	Olson	Spear
Benson, D.D.	Frederickson	Lessard	Pappas	Stevens
Benson, J.E.	Hottinger	Luther	Piper	Stumpf
Berg	Janezich	Marty	Pogemiller	Terwilliger
Berglin	Johnson, D.E.	McGowan	Price	Vickerman
Bertram	Johnson, D.J.	Merriam	Ranum	Wiener
Betzold	Johnson, J.B.	Metzen	Reichgott	
Chandler	Johnston	Moe, R.D.	Riveness	
Chmielewski	Kiscaden	Morse	Robertson	
Cohen	Knutson	Murphy	Runbeck	

So the bill passed and its title was agreed to.

S.F. No. 429: A bill for an act relating to alcoholic beverages; reciprocity in interstate transportation of wine; changing definitions of licensed premises, restaurant, and wine; authorizing an investigation fee on denied licenses; disqualifying felons from licensing; revising authority for suspensions and civil penalties; making rule violations and false or incomplete statements in license applications misdemeanors; providing instructions to the revisor; penalties for importation of excess quantities; proof of age for purchase or consumption; opportunity for a hearing for license revocation or suspension; prohibiting certain transactions; authorizing the dispensing of intoxicating liquor at the Como Park lakeside pavilion; authorizing dispensing of liquor by an on-sale licensee at the National Sports Center in Blaine; authorizing the city of Apple Valley to issue on-sale licenses on zoological gardens property and to allow an on-sale license to dispense liquor on county-owned property within the city; authorizing Houston county to issue an on-sale intoxicating liquor license to establishments in Crooked Creek and Brownsville townships; authorizing the town of Schroeder in Cook county to issue an off-sale license to an exclusive liquor store; authorizing an on-sale liquor license in Dalbo township of Isanti county; authorizing Stillwater to issue an additional on-sale intoxicating liquor license to a hotel in the city; authorizing Aitkin county to issue one off-sale liquor license to a premises located in Farm Island township; authorizing Pine county to issue one Sunday on-sale intoxicating liquor license to a licensed premises located in Barry township; amending Minnesota Statutes 1992, sections 297C.09; 340A.101, subdivisions 15, 25, and 29; 340A.301, subdivision 3; 340A.302, subdivision 3; 340A.308; 340A.402; 340A.415; 340A.503, subdivision 6; 340A.703; and 340A.904, subdivision 1; Laws 1983, chapter 259, section 8; Laws 1992, chapter 486, section 11; proposing coding for new law in Minnesota Statutes, chapters 297C; and 340A; repealing Minnesota Statutes 1992, section 340A.903.

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 48 and nays 13, as follows:

Those who voted in the affirmative were:

Adkins	Dille	Kroening	Metzen	Reichgott
Anderson	Flynn	Laidig	Moe, R.D.	Riveness
Beckman	Hottinger	Langseth	Morse	Samuelson
Belanger	Janezich	Larson	Murphy	Solon
Benson, D.D.	Johnson, D.E.	Lesewski	Novak	Spear
Berg	Johnson, D.J.	Lessard	Pappas	Stumpf
Bertram	Johnson, J.B.	Luther	Piper	Vickerman
Betzold	Johnston	Marty	Pogemiller	Wiener
Chandler	Kelly	McGowan	Price	
Cohen	Knutson	Merriam	Ranum	

Those who voted in the negative were:

Benson, J.E.	Frederickson	Oliver	Runbeck	Terwilliger
Day	Kiscaden	Olson	Sams	
Finn	Neuville	Robertson	Stevens	

So the bill passed and its title was agreed to.

S.F. No. 1152: A bill for an act relating to metropolitan government; setting conditions for tax equivalent payments; amending Minnesota Statutes 1992, section 473.341.

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	Dille	Kroening	Murphy	Runbeck
Anderson	Finn	Laidig	Neuville	Sams
Beckman	Flynn	Langseth	Novak	Samuelson
Belanger	Frederickson	Larson	Oliver	Solon
Benson, D.D.	Hottinger	Lesewski	Olson	Spear
Benson, J.E.	Janezich	Lessard	Pappas	Stevens
Berg	Johnson, D.E.	Luther	Piper	Stumpf
Berglin	Johnson, D.J.	Marty	Pogemiller	Terwilliger
Bertram	Johnson, J.B.	McGowan	Price	Vickerman
Betzold	Johnston	Merriam	Ranum	Wiener
Chandler	Kelly	Metzen	Reichgott	
Cohen	Kiscaden	Moe, R.D.	Riveness	
Day	Knutson	Morse	Robertson	

So the bill passed and its title was agreed to.

S.F. No. 1171: A bill for an act relating to crime; creating a commission on nonfelony enforcement to review the proportionality and enforcement of petty misdemeanor, misdemeanor, and gross misdemeanor offenses; requiring a report.

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 60 and nays 3, as follows:

Those who voted in the affirmative were:

Adkins	Day	Kiscaden	Metzen	Ranum
Anderson	Dille	Knutson	Moe, R.D.	Reichgott
Beckman	Finn	Kroening	Morse	Riveness
Belanger	Flynn	Laidig	Murphy	Robertson
Benson, D.D.	Frederickson	Langseth	Neuville	Runbeck
Benson, J.E.	Hottinger	Larson	Novak	Solon
Berg	Janezich	Lesewski	Oliver	Spear
Berglin	Johnson, D.E.	Lessard	Olson	Stevens
Betzold	Johnson, D.J.	Luther	Pappas	Stumpf
Chandler	Johnson, J.B.	Marty	Piper	Terwilliger
Chmielewski	Johnston	McGowan	Pogemiller	Vickerman
Cohen	Kelly	Merriam	Price	Wiener

Messrs. Bertram, Sams and Samuelson voted in the negative.

So the bill 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 Reports of Committees.

REPORTS OF COMMITTEES

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

Messrs. Pogemiller and Stumpf from the Committee on Education, to which was referred

S.F. No. 1559: A bill for an act relating to education; clarifying the early childhood family education formula; modifying the pupil transportation levy for late activities; amending Minnesota Statutes 1992, sections 124.226, subdivision 9; and 124.2711, subdivision 1.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

GENERAL EDUCATION REVENUE

Section 1: Minnesota Statutes 1992, section 16A.1541, is amended to read:
16A.1541 [ADDITIONAL REVENUES; PRIORITY.]

If on the basis of a forecast of general fund revenues and expenditures the commissioner of finance determines that there will be a positive unrestricted budgetary general fund balance at the close of the biennium, the commissioner of finance must allocate money to the budget and cash flow reserve account until the total amount in the account equals five percent of total general fund appropriations for the current biennium as established by the most recent legislative session. Beginning in November 1990, forecast unrestricted budgetary general fund balances are first appropriated to the department of education for the purpose of section 124A.226. Additional money may be used to restore the budget and cash flow reserve account to \$550,000,000 and then to reduce the property tax levy recognition percent under section 121.904, subdivision 4a, to 27 percent before money is

allocated to the budget and cash flow reserve account under the preceding sentence.

The amounts necessary to meet the requirements of this section are appropriated from the general fund.

Sec. 2, Minnesota Statutes 1992, 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 124.914, subdivision 1; 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 May, 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 an amount equal to the levy recognized as revenue in June of the prior year plus 50.0 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) 50.0 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 124.914, subdivision 1, and Laws 1976, chapter 20, section 4; and

(iii) retirement and severance pay pursuant to sections 122.531, subdivision 9, 124.2725, subdivision 15, 124.4945, 124.912, subdivision 1, and 124.916, subdivision 3, 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, and amounts levied pursuant to section 136C.411; and

(v) amounts levied under section 5.

(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. 3. Minnesota Statutes 1992, section 124.17, subdivision 1, is amended to read:

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

(a) A prekindergarten pupil with a disability who is enrolled for the entire fiscal year in a program approved by the commissioner and has an individual education plan that requires up to 437 hours of assessment and education services in the fiscal year is counted as one-half of a pupil unit. If the plan requires more than 437 hours of assessment and education services, the pupil is counted as the ratio of the number of hours of assessment and education service to 875, but not more than one.

(b) A prekindergarten pupil with a disability who is enrolled for less than the entire fiscal year in a program approved by the commissioner is counted as the greater of:

(1) one-half times the ratio of the number of instructional days from the date the pupil is enrolled to the date the pupil withdraws to the number of instructional days in the school year; or

(2) the ratio of the number of hours of assessment and education service required in the fiscal year by the pupil's individual education program plan to 875, but not more than one.

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

(d) A kindergarten pupil with a disability who is enrolled in a program approved by the commissioner is counted as the ratio of the number of hours of assessment and education services required in the fiscal year by the pupil's individual education program plan to 875, but not more than one.

(e) A kindergarten pupil who is not included in paragraph (d) is counted as one-half of a pupil unit.

(f) A pupil who is in any of grades 1 to 6 is counted as ~~one pupil unit~~ *1.105 pupil unit for fiscal year 1994 and 1.145 pupil unit for fiscal year 1995 and thereafter.*

(g) A pupil who is in any of grades 7 to 12 is counted as 1.3 pupil units.

Sec. 4. Minnesota Statutes 1992, section 124.19, subdivision 4, is amended to read:

Subd. 4. (a) In a school where the number of instructional hours in the school day is greater than the number of instructional hours prescribed in the rules of the state board for the school day, the excess number of instructional hours for those days may be included in calculating the required number of days school is in session for purposes of fulfilling the requirements of subdivision 1, provided that the school is in session for not less than 160 days during the school year, ~~and provided that no.~~

(b) Instructional hours ~~are included~~ from half-day sessions or any school day which has ~~less fewer~~ instructional hours than the number of instructional hours prescribed in the rules of the state board must not be included without approval from the commissioner of education.

(c) The commissioner shall approve the inclusion of hours described in paragraph (b) only if the average number of instructional hours for all school days in the school year equals or exceeds the number of instructional hours prescribed in the rules of the state board.

Sec. 5. [124.755] [STATE PAYMENT OF DEBT OBLIGATION UPON POTENTIAL DEFAULT; REPAYMENT; STATE OBLIGATION NOT DEBT.]

Subdivision 1. [DEFINITIONS.] For the purposes of this section, the term "debt obligation" means either a tax or aid anticipation certificate of indebtedness, a general obligation bond, or a certificate of participation in lease purchase obligations, as appropriate.

Subd. 2. [NOTIFICATIONS; PAYMENT; APPROPRIATION.] (a) If a school district believes that it may be unable to make a principal or interest payment on any outstanding debt obligation on the date that payment is due, it must notify the commissioner of education of that fact as soon as possible, but not less than 15 working days before the date that principal or interest payment is due. The notice shall include the name of the school district, an identification of the debt obligation issue in question, the date the payment is due, the amount of principal and interest due on the payment date, the amount of principal or interest that the school district will be unable to repay on that date, the paying agent for the debt obligation, the wire transfer instructions to transfer funds to that paying agent, and an indication as to whether a payment is being requested by the district under this section. If a paying agent becomes aware of a potential default, it shall inform the commissioner of education of that fact. After receipt of a notice which requests a payment under this section, after consultation with the school district and the paying agent, and after verification of the accuracy of the information provided, the commissioner of education shall notify the commissioner of finance of the potential default. Upon receipt of this notice from the commissioner of education, which must include a final figure as to the amount due that the school district will be unable to repay on the date due, the commissioner of finance shall issue a warrant and authorize the commissioner of education to pay to the paying agent for the debt obligation the specified amount on or before the date due subject to the availability of appropriations. The amounts needed for the purposes of this subdivision are annually appropriated to the department of education from the state general fund. The obligation of the state under this subdivision shall constitute a current expense of the state for each fiscal year and does not constitute or create a general or moral obligation or indebtedness of the state within the meaning of the Constitution and laws of the state in excess of the money from time to time appropriated and the state has no continuing obligation to appropriate money for payments under this subdivision.

(b) The departments of education and finance shall jointly develop detailed procedures for school districts to notify the state that they have obligated themselves to be bound by the provisions of this section, procedures for school districts and paying agents to notify the state of potential defaults and to request state payment under this section, and procedures for the state to

expedite payments to prevent defaults. The procedures are not subject to chapter 14.

Subd. 3. [SCHOOL DISTRICT BOUND; INTEREST RATE ON STATE PAID AMOUNT.] *If, at the request of a school district, the state has paid part or all of the principal or interest due on a school district's debt obligation on a specific date, the school district is bound by all provisions of this section and the amount paid shall bear taxable interest from the date paid until the date of repayment at the state treasurer's invested cash rate as it is certified by the commissioner of finance. Interest shall only accrue on the amounts paid and outstanding less the reduction in aid under subdivision 4 and other payments received from the district.*

Subd. 4. [PLEDGE OF DISTRICT'S FULL FAITH AND CREDIT.] *If, at the request of a school district, the state has paid part or all of the principal or interest due on a school district's debt obligation on a specific date, the pledge of the full faith and credit and unlimited taxing powers of the school district to repay the principal and interest due on those debt obligations shall also, without an election or the requirement of a further authorization, become a pledge of the full faith and credit and unlimited taxing powers of the school district to repay to the state the amount paid, with interest. Amounts paid by the state shall be repaid in the order in which the state payments were made.*

Subd. 5. [AID REDUCTION FOR REPAYMENT.] *Except as provided in this subdivision, the state shall reduce the state aid payable to the school district under chapters 124, 124A, and 273, according to the schedule in section 124.155, subdivision 2, by the amount paid by the state under this section on behalf of the school district, plus the interest due on it, and the amount reduced shall revert from the appropriate account to the state general fund. Payments from the school endowment fund or any federal aid payments shall not be reduced. If, after review of the financial situation of the school district, the commissioner of education advises the commissioner of finance that a total reduction of the aids would cause an undue hardship on or an undue disruption of the educational program of the school district, the commissioner of education, with the approval of the commissioner of finance, may establish a different schedule for reduction of those aids to repay the state. The amount of aids to be reduced are decreased by any amounts repaid to the state by the school district from other revenue sources.*

Subd. 6. [TAX LEVY FOR REPAYMENT.] (a) *With the approval of the commissioner of education, a school district may levy in the year the state makes a payment under this section an amount up to the amount necessary to provide funds for the repayment of the amount paid by the state plus interest through the date of estimated repayment by the school district. The proceeds of this levy may be used only for this purpose unless they are in excess of the amount actually due, in which case the excess shall be used to repay other state payments made under this section or shall be deposited in the debt redemption fund of the school district. This levy shall be an increase in the levy limits of the school district for purposes of section 275.065, subdivision 6. The amount of aids to be reduced to repay the state shall be decreased by the amount levied. This levy by the school district is not eligible for debt service equalization under section 124.95.*

(b) *If the state is not repaid in full for a payment made under this section by November 30 of the calendar year following the year in which the state*

makes the payment, the commissioner of education must require the school district to certify a property tax levy in an amount up to the amount necessary to provide funds for repayment of the amount paid by the state plus interest through the date of estimated repayment by the school district. To prevent undue hardship, the commissioner may allow the district to certify the levy over a five-year period. The proceeds of the levy may be used only for this purpose unless they are in excess of the amount actually due, in which case the excess shall be used to repay other state payments made under this section or shall be deposited in the debt redemption fund of the school district. This levy shall be an increase in the levy limits of the school district for purposes of section 275.065, subdivision 6. If the commissioner orders the district to levy, the amount of aids reduced to repay the state shall be decreased by the amount levied. This levy by the school district is not eligible for debt service equalization under section 124.95 or any successor provision. A levy under this subdivision must be explained as a specific increase at the meeting required under section 275.065, subdivision 6.

Subd. 7. [ELECTION AS TO MANDATORY APPLICATION.] A school district may covenant and obligate itself, prior to the issuance of an issue of debt obligations, to notify the commissioner of education of a potential default and to use the provisions of this section to guarantee payment of the principal and interest on those debt obligations when due. If the school district obligates itself to be bound by this section, it shall covenant in the resolution that authorizes the issuance of the debt obligations to deposit with the paying agent three business days prior to the date on which a payment is due an amount sufficient to make that payment or to notify the commissioner of education under subdivision 1 that it will be unable to make all or a portion of that payment. A school district that has obligated itself shall include a provision in its agreement with the paying agent for that issue that requires the paying agent to inform the commissioner of education if it becomes aware of a potential default in the payment of principal or interest on that issue or if, on the day two business days prior to the date a payment is due on that issue, there are insufficient funds to make the payment on deposit with the paying agent. If a school district either covenants to be bound by this section or accepts state payments under this section to prevent a default of a particular issue of debt obligations, the provisions of this section shall be binding as to that issue as long as any debt obligation of that issue remain outstanding. If the provisions of this section are or become binding for more than one issue of debt obligations and a district is unable to make payments on one or more of those issues, it shall continue to make payments on the remaining issues.

Subd. 8. [MANDATORY PLAN; TECHNICAL ASSISTANCE.] If the state makes payments on behalf of a district under this section or the district defaults in the payment of principal or interest on an outstanding debt obligation, it shall submit a plan to the commissioner of education for approval specifying the measures it intends to implement to resolve the issues which led to its inability to make the payment and to prevent further defaults. The department shall provide technical assistance to the school district in preparing its plan. If the commissioner determines that a school district's plan is not adequate, the commissioner shall notify the school district that the plan has been disapproved, the reasons for the disapproval, and that the state shall not make future payments under this section for debt obligations issued after the date specified in that notice until its plan is approved. The commissioner may also notify the school district that until its plan is approved, other aids due the district will be withheld after a date specified in the notice.

Sec. 6. Minnesota Statutes 1992, section 124A.02, is amended by adding a subdivision to read:

Subd. 15a. [MARGINAL COST PUPIL UNIT.] "Marginal cost pupil units" means the sum of .77 times the pupil units identified in section 124.17, subdivision 1, for the current school year and .23 times the pupil units for the previous school year.

Sec. 7. Minnesota Statutes 1992, section 124A.03, subdivision 1e, is amended to read:

Subd. 1e. [TOTAL REFERENDUM REVENUE.] The total referendum revenue for each district equals (1) the district's referendum allowance according to subdivision 1b minus its referendum allowance reduction according to subdivision 3b times (2) the actual pupil units for the school year.

Sec. 8. Minnesota Statutes 1992, section 124A.03, subdivision 1f, is amended to read:

Subd. 1f. [REFERENDUM EQUALIZATION REVENUE.] A district's referendum equalization revenue equals ~~ten percent of the formula allowance~~ \$315 times the district's actual pupil units for that year.

Referendum equalization revenue must not exceed a district's ~~referendum revenue allowance times the district's actual pupil units total referendum revenue~~ for that year.

Sec. 9. Minnesota Statutes 1992, section 124A.03, subdivision 1g, is amended to read:

Subd. 1g. [REFERENDUM EQUALIZATION LEVY.] A district's referendum equalization levy equals the district's referendum equalization revenue times the lesser of one or the ratio of the district's adjusted net tax capacity per actual pupil unit to 50 100 percent of the equalizing factor as defined in section 124A.02, subdivision 8.

Sec. 10. Minnesota Statutes 1992, section 124A.03, is amended by adding a subdivision to read:

Subd. 3b. [REFERENDUM ALLOWANCE REDUCTION.] (a) For a district with a referendum allowance greater than 30 percent of the formula allowance, the referendum allowance reduction equals one-fourth of the difference between:

(1) the sum of difference between (i) the district's training and experience revenue and compensatory education revenue per actual pupil unit for that fiscal year and (ii) the district's training and experience and compensatory education revenue per actual pupil unit for fiscal year 1994; and

(2) the amount of the supplemental allowance reduction according to section 124A.22, subdivision 8b, but not more than a district's referendum allowance.

(b) A district's referendum allowance reduction must not exceed the difference between the district's referendum allowance and 30 percent of the formula allowance.

Sec. 11. [124A.038] [DISCRETIONARY REVENUE.]

Subdivision 1. [DISCRETIONARY REVENUE ALLOWANCE.] A district's discretionary revenue allowance equals the discretionary revenue authority for that year divided by its actual pupil units for that school year. A district's discretionary revenue allowance must not exceed 30 percent of the formula allowance for the fiscal year for which it is attributable. A district that qualifies for sparsity revenue under section 124A.22 is not subject to a discretionary revenue allowance limit.

Subd. 1e. [TOTAL DISCRETIONARY REVENUE.] The total discretionary revenue for each district equals the district's discretionary revenue allowance times the actual pupil units for the school year.

Subd. 2. [DISCRETIONARY REVENUE.] (a) The revenue authorized by section 124A.22, subdivision 1, 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 shall be conducted during the calendar year before the increased revenue, if approved, first becomes payable. Only one election to approve an increase may be held in a calendar year. Unless the referendum is conducted by mail under paragraph (g), 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 revenue per actual pupil unit, the estimated income tax rate as a percentage of taxable personal income in the first year it is to be applied, and that the revenue shall be used to finance school operations. The ballot may state that existing discretionary revenue authority or referendum revenue authority is expiring. In this case, the ballot may also compare the proposed income tax authority to the existing expiring income or property tax authority, and express the proposed increase as the amount, if any, over the expiring discretionary or referendum revenue authority. The ballot shall designate the specific number of years, not to exceed five, for which the discretionary revenue 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 revenue proposed by (petition to) the board of, independent school district No. ..., be approved?"

If approved, an amount equal to the approved revenue per actual pupil unit times the actual pupil units for the school year beginning in the year after the revenue is authorized 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 referendum to each residential address in the school district, a notice of the referendum and the proposed revenue increase. The notice must project the anticipated amount of tax increase in annual dollars and annual percentage for typical family incomes within the school district.

The notice for a referendum may state that an existing discretionary or referendum revenue authority is expiring and project the anticipated amount of increase over the existing discretionary income tax or referendum property tax, if any, in annual dollars and annual percentage for typical family incomes within the school district.

The notice must include the following statement: "Passage of this referendum will result in an increase in your personal income taxes."

(c) A referendum on the question of revoking or reducing the increased revenue 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 referendum to revoke or reduce the revenue amount must be based upon the amount per actual pupil unit that was stated to be the basis for the initial authorization. Revenue approved by the voters of the district pursuant to paragraph (a), must be received at least once before it is subject to a referendum on its revocation or reduction for subsequent years. Only one revocation or reduction referendum may be held to revoke or reduce referendum revenue 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 15 days after the results of the referendum have been certified by the school board, or in the case of a recount, the certification of the results of the recount by the canvassing board, the district shall notify the commissioner of education of the results of the referendum.

(g) Any referendum under this section held on a day other than the first Tuesday after the first Monday in November must be conducted by mail in accordance with section 204B.46. Notwithstanding paragraph (b) to the contrary, in the case of a referendum conducted by mail under this paragraph, the notice required by paragraph (b) shall be prepared and delivered by first-class mail at least 20 days before the referendum.

Subd. 2b. [REFERENDUM DATE.] In addition to the referenda allowed in subdivision 2, clause (a), the commissioner may authorize a referendum for a different day.

(a) The commissioner may grant authority to a district to hold a referendum on a different day if the district is in statutory operating debt and has an approved plan or has received an extension from the department to file a plan to eliminate the statutory operating debt.

(b) The commissioner must approve, deny, or modify each district's request for a referendum levy on a different day within 60 days of receiving the request from a district.

Sec. 12. Minnesota Statutes 1992, section 124A.04, subdivision 2, is amended to read:

Subd. 2. [1993 AND LATER.] The training and experience index for fiscal year 1993 and later fiscal years must be constructed in the following manner:

(a) The department shall construct a matrix that classifies teachers by the extent of training received in accredited institutions of higher education and

by the years of experience that districts take into account in determining teacher salaries.

(b) The average salary for each cell of the matrix must be computed as follows using data from the second year of the previous biennium:

(1) For each school district, multiply the salary paid to full-time equivalent teachers with that combination of training and experience according to the district's teacher salary schedule by the number of actual pupil units in that district.

(2) Add the amounts computed in clause (1) for all districts in the state and divide the resulting sum by the total number of actual pupil units in all districts in the state that employ teachers.

(c) For each cell in the matrix, compute the ratio of the average salary in that cell to the average salary for all teachers in the state. Cells of the matrix in lanes beyond the master's degree plus 30 credits lane must receive the same ratio as the cells in the master's degree plus 30 credits lane.

(d) The index for each district that employs teachers equals the sum of the ratios for each teacher in that district divided by the number of teachers in that district. The index for a district that employs no teachers is zero.

Sec. 13. Minnesota Statutes 1992, section 124A.22, subdivision 4, is amended to read:

Subd. 4. [TRAINING AND EXPERIENCE REVENUE.] (a) For fiscal year 1992, The *previous formula* training and experience revenue for each district equals the greater of zero or the result of the following computation:

(1) subtract 1.6 from the training and experience index;

(2) multiply the result in clause (1) by the product of \$700 times the *actual marginal cost* pupil units for the school year.

(b) For 1993 and later fiscal years, The maximum training and experience revenue for each district equals the greater of zero or the result of the following computation:

(1) subtract .8 from the training and experience index;

(2) multiply the result in clause (1) by the product of \$575 times the *actual marginal cost* pupil units for the school year.

(c) For 1993 and later fiscal years, the *previous formula* training and experience revenue for each district equals the amount of training and experience revenue computed for that district according to the formula used to compute training and experience revenue for fiscal year 1992.

(d) For fiscal year 1993, the training and experience revenue for each district equals the district's *previous formula* training and experience revenue plus one-fourth of the difference between the district's maximum training and experience revenue and the district's *previous formula* training and experience revenue.

(e) For fiscal year 1994, the training and experience revenue for each district equals the district's *previous formula* training and experience revenue plus one-half of the difference between the district's maximum training and

experience revenue and the district's previous formula training and experience revenue.

(f) (d) For fiscal year 1995, the training and experience revenue for each district equals the district's previous formula training and experience revenue plus three-fourths of the difference between the district's maximum training and experience revenue and the district's previous formula training and experience revenue.

(g) (e) For fiscal year 1996 and thereafter, the training and experience revenue for each district equals the district's maximum training and experience revenue.

Sec. 14. Minnesota Statutes 1992, section 124A.22, subdivision 4a, is amended to read:

Subd. 4a. [TRAINING AND EXPERIENCE LEVY.] A district's training and experience levy equals its training and experience revenue times the lesser of one or the ratio of the district's adjusted net tax capacity per actual marginal cost pupil unit for the year before the year the levy is certified to the equalizing factor for the school year to which the levy is attributable.

Sec. 15. Minnesota Statutes 1992, section 124A.22, subdivision 5, is amended to read:

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

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

(b) "Secondary average daily membership" means, for a district that has only one high school, the average daily membership of resident pupils in grades 7 through 12. For a district that has more than one high school, "secondary average daily membership" for each high school means the product of the average daily membership of resident pupils in grades 7 through 12 in the high school, times the ratio of six to the number of grades in the high school.

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

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

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

(f) "Qualifying elementary school" means an elementary school that is located 19 miles or more from the nearest elementary school or from the nearest elementary school within the district and, in either case, has an elementary average daily membership of an average of 20 or fewer per grade.

(g) "Elementary average daily membership" means, for a district that has only one elementary school, the average daily membership of resident pupils in kindergarten through grade 6. For a district that has more than one elementary school, "average daily membership" for each school means the average daily membership of kindergarten through grade 6 multiplied by the ratio of seven to the number of grades in the elementary school.

Sec. 16. Minnesota Statutes 1992, section 124A.22, subdivision 6, is amended to read:

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

- (1) the formula allowance for the school year, multiplied by
- (2) the secondary average daily membership of the high school, multiplied by
- (3) the quotient obtained by dividing 400 minus the secondary average daily membership by 400 plus the secondary daily membership, multiplied by
- (4) the lesser of one or the quotient obtained by dividing the isolation index minus 23 by ten.

(b) A newly formed school district that is the result of districts combining under the cooperation and combination program or consolidating under section 122.23, shall receive secondary sparsity revenue equal to the greater of: (1) the amount calculated under paragraph (a) for the combined district; or (2) the sum of the amounts of secondary sparsity revenue the former school districts had in the year prior to consolidation, increased for any subsequent changes in the secondary sparsity formula.

Sec. 17. Minnesota Statutes 1992, section 124A.22, is amended by adding a subdivision to read:

Subd. 8a. [INITIAL SUPPLEMENTAL ALLOWANCE.] A district's initial supplemental allowance for 1995 and later fiscal years equals the sum of the following amounts:

- (1) the district's minimum allowance, plus
- (2) 75 percent of the difference between the formula allowance for that fiscal year and \$3,050, less
- (3) the sum of its basic revenue, previous formula compensatory education revenue, previous formula training and experience revenue, secondary sparsity revenue, and elementary sparsity revenue per marginal cost pupil unit for that fiscal year.

Sec. 18. Minnesota Statutes 1992, section 124A.22, is amended by adding a subdivision to read:

Subd. 8b. [SUPPLEMENTAL ALLOWANCE REDUCTION.] (a) If a district's initial supplemental allowance for 1995 or a later fiscal year is less than \$250, the district's supplemental allowance reduction equals one-fourth of the difference between (1) the sum of the district's training and experience revenue and compensatory education revenue per marginal cost pupil unit for that fiscal year and (2) the sum of the district's training and experience

revenue and compensatory education revenue per marginal cost pupil unit for fiscal year 1994.

(b) If a district's initial supplemental allowance is greater than \$250, the district's supplemental allowance reduction equals the greater of:

(1) an amount equal to the lesser of (i) the district's initial supplemental allowance minus \$250, or (ii) the sum of (A) the difference between the district's training and experience revenue and its previous formula training and experience revenue per marginal cost pupil unit for that fiscal year and (B) the difference between the district's compensatory education revenue and its previous formula compensatory education per marginal cost pupil unit for that fiscal year, or

(2) an amount equal to one-fourth of the difference between (i) the sum of the district's training and experience revenue and compensatory education revenue per marginal cost pupil unit for that fiscal year and (ii) the sum of the district's training and experience revenue and compensatory education revenue per marginal cost pupil unit for fiscal year 1994, but not greater than the district's initial supplemental allowance for that fiscal year.

Sec. 19. Minnesota Statutes 1992, section 124A.22, is amended by adding a subdivision to read:

Subd. 8c. [SUPPLEMENTAL ALLOWANCE.] For 1995 and later fiscal years, a district's supplemental allowance equals its initial supplemental allowance minus its supplemental allowance reduction.

Sec. 20. Minnesota Statutes 1992, section 124A.22, is amended by adding a subdivision to read:

Subd. 8d. [SUPPLEMENTAL REVENUE.] A district's supplemental revenue is equal to the district's supplemental allowance times its marginal cost pupil units.

Sec. 21. Minnesota Statutes 1992, section 124A.22, is amended by adding a subdivision to read:

Subd. 8e. [SUPPLEMENTAL LEVY.] To obtain supplemental revenue, a district may levy an amount not more than the product of its supplemental revenue for the school year times the lesser of one or the ratio of its general education levy to its general education revenue, excluding training and experience revenue and supplemental revenue, for the same year.

Sec. 22. Minnesota Statutes 1992, section 124A.22, is amended by adding a subdivision to read:

Subd. 8f. [SUPPLEMENTAL AID.] A district's supplemental aid equals its supplemental revenue minus its supplemental levy times the ratio of the actual amount levied to the permitted levy.

Sec. 23. Minnesota Statutes 1992, section 124A.22, subdivision 9, is amended to read:

Subd. 9. [DEFINITION FOR SUPPLEMENTAL REVENUE.] (a) The definition in this subdivision applies only to ~~subdivision~~ subdivisions 8 and 8a.

(b) "Minimum allowance" for a district means:

(1) the district's general education revenue for fiscal year 1992, according to subdivision 1; divided by

(2) the district's 1991-1992 actual pupil units.

Sec. 24. [124A.225] [LEARNING AND DEVELOPMENT REVENUE AMOUNT AND USE.]

Subdivision 1. [REVENUE.] Of a district's general education revenue an amount equal to the sum of the number of elementary pupil units defined in section 124.17, subdivision 1, clause (f) and kindergarten pupil units as defined in section 124.17, subdivision 1, clause (e), times .105 for fiscal year 1994 and .114 for fiscal year 1995 and thereafter times the formula allowance must be reserved according to this section. The revenue must be placed in a learning and development reserved account and may only be used according to this section.

Subd. 2. [INSTRUCTOR DEFINED.] Primary instructor means a public employee licensed by the board of teaching whose duties are full-time instruction, excluding a teacher for whom categorical aids are received pursuant to sections 124.273 and 124.32. Except as provided in section 125.230, subdivision 6, instructor does not include supervisory and support personnel; as defined in section 125.03. An instructor whose duties are less than full-time instruction must be included as an equivalent only for the number of hours of instruction.

Subd. 3. [INSTRUCTION CONTACT TIME.] Instruction may be provided by a primary instructor, by a team of instructors, or by teacher resident supervised by a primary instructor. The district must maximize instructor to learner average instructional contact time.

Subd. 4. [REVENUE USE.] Revenue shall be used to reduce and maintain the district's instructor to learner ratios in kindergarten through grade 6 to a level of 1 to 17. The district must prioritize the use of the revenue to attain this level initially in kindergarten and then through the subsequent grades as revenue is available. The revenue may be used to prepare and use an individualized learning plan for each learner. A district must not increase the district wide instructor-learner ratios in grades 7 through 12 as a result of reducing instructor-learner ratios in kindergarten through grade 6. Revenue may not be used to provide instructor preparation time or to provide the district's share of revenue required under section 124.311.

Subd. 5. [ADDITIONAL REVENUE USE.] If the school board of a school district determines that the district has achieved and is maintaining the instructor-learner ratios specified in subdivision 4 and is using individualized learning plans, the school board may use the revenue to purchase material and services or provide staff development needed for reduced instructor-learner ratios. If additional revenue remains, the district must use the revenue to improve program offerings, including programs provided through interactive television, throughout the district or other general education purposes.

Sec. 25. [124A.226] [AID TO REDUCE SECONDARY INSTRUCTOR-PUPIL RATIOS.]

To the extent revenues are available under section 16A.1541, the commissioner shall allocate aid to school districts on a per secondary pupil basis. The aid must be used by districts to reduce instructor-pupil ratios in secondary grades.

Sec. 26. Minnesota Statutes 1992, section 124A.23, subdivision 1, is amended to read:

Subdivision 1. [GENERAL EDUCATION TAX RATE.] The commissioner shall establish the general education tax rate 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 rate shall be the rate that raises \$916,000,000 for fiscal year 1993 and \$969,800,000 for fiscal year 1994 and \$950,000,000 for fiscal year 1995 and \$1,034,200,000 for fiscal year 1996 and later fiscal years. The general education tax rate may not be changed due to changes or corrections made to a district's adjusted net tax capacity after the tax rate has been established.

Sec. 27. Minnesota Statutes 1992, section 124A.23, subdivision 5, is amended to read:

Subd. 5. [USES OF REVENUE.] *Except as provided in section 24*, general education revenue may be used during the regular school year and the summer for general and special school purposes.

Sec. 28. Minnesota Statutes 1992, section 124A.24, is amended to read:

124A.24 [GENERAL EDUCATION LEVY EQUITY.]

If a district's general education levy is determined according to section 124A.23, subdivision 3, an amount must be deducted from state aid authorized in this chapter and chapters 124 and 124B, receivable for the same school year, and from other state payments receivable for the same school year authorized in chapter 273. The aid in section 124.646 must not be reduced.

The amount of the deduction equals the difference between:

(1) the general education tax rate, according to section 124A.23, times the district's adjusted net tax capacity used to determine the general education aid for the same school year; and

(2) the district's general education revenue, excluding training and experience revenue and supplemental revenue, for the same school year, according to section 124A.22.

~~However, for fiscal year 1992, the amount of the deduction shall be four-sixths of the difference between clauses (1) and (2); and for fiscal year 1993, the amount of the deduction shall be five-sixths of the difference between clauses (1) and (2).~~

Sec. 29. Minnesota Statutes 1992, 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 in the general, transportation, and food service funds as of June 30 in the prior school year exceeds \$600 21 percent of the formula allowance for the current year times the fund balance pupil units in the prior year. For purposes of this subdivision and section 124.243, subdivision 2, fund balance pupil units means the number of resident pupil units in average daily membership, including shared time pupils, according to section 124A.02, subdivision 20, plus

(1) pupils attending the district for which general education aid adjustments are made according to section 124A.036, subdivision 5; minus

(2) the sum of the resident pupils attending other districts for which general education aid adjustments are made according to section 124A.036, subdivision 5, plus pupils for whom payment is made according to section 126.22, subdivision 8, or 126.23. The amount of the reduction shall equal the lesser of:

(1) the amount of the excess; or

(2) \$150 times the ~~actual~~ *marginal cost* 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.

Sec. 30. Minnesota Statutes 1992, section 273.1398, subdivision 2a, is amended to read:

Subd. 2a. [EDUCATION LEVY REDUCTION.] (a) As used in this subdivision, "equalized levies" means the sum of the maximum amounts that may be levied for:

(1) general education under section 124A.23, subdivision 2;

(2) supplemental revenue under section 124A.23, subdivision 2a;

(3) capital expenditure facilities revenue under section 124.243, subdivision 3;

(4) capital expenditure equipment revenue under section 124.44, subdivision 2; ~~and~~

(5) basic transportation under section 124.226, subdivision 1; *and*

(6) *referendum revenue under section 124A.03.*

(b) By December 1, the commissioner of education shall determine and certify to the commissioner of revenue the amount of the education levy reduction. The reduction shall be equal to the amount by which:

(1) the amount that would have been computed as the district's total maximum levy for property taxes payable in 1990, if the equalized levies had been based upon the district's adjusted gross tax capacity, the general education tax rate had been 29.1 percent, the taconite levy reduction limit according to section 124.918, subdivision 8, had been 10.22 percent of adjusted gross tax capacity, and the capital expenditure equipment and facilities levies had been calculated using 70 percent of the equalizing factor, exceeds

(2) the amount that would have been computed as the district's total maximum levy for property taxes payable in 1990, if the equalized levies had been based upon the district's adjusted net tax capacity, the general education tax rate had been 29.1 percent, the taconite levy reduction limit according to section 124.918, subdivision 8, had been 10.22 percent of adjusted net tax capacity, and the capital expenditure equipment and facilities levies had been calculated using 70 percent of the equalizing factor.

(c) For property taxes payable in 1990, the amount of the education levy

reduction shall be deducted from the homestead and agricultural credit aid payable to each school district under subdivision 2.

Homestead and agricultural credit aid shall not be reduced below zero.

Sec. 31. Minnesota Statutes 1992, section 275.065, subdivision 6, is amended to read:

Subd. 6. [PUBLIC HEARING; ADOPTION OF BUDGET AND LEVY.] Between November 29 and December 20, the governing bodies of the city and county shall each hold a public hearing to adopt its final budget and property tax levy for taxes payable in the following year, and the governing body of the school district shall hold a public hearing to review its current budget and adopt its property tax levy for taxes payable in the following year.

At the hearing, the taxing authority, other than a school district, may amend the proposed budget and property tax levy and must adopt a final budget and property tax levy, and the school district may amend the proposed property tax levy and must adopt a final property tax levy.

The property tax levy certified under section 275.07 by a city, county, or school district must not exceed the proposed levy determined under subdivision 1, except by an amount up to the sum of the following amounts:

(1) the amount of a school district levy whose voters approved a referendum to increase taxes under section 124.82, subdivision 3, 124A.03, subdivision 2, 124B.03, subdivision 2, or 136C.411, after the proposed levy was certified;

(2) the amount of a city or county levy approved by the voters after the proposed levy was certified;

(3) the amount of a levy to pay principal and interest on bonds issued or approved by the voters under section 475.58 after the proposed levy was certified;

(4) the amount of a levy to pay costs due to a natural disaster occurring after the proposed levy was certified, if that amount is approved by the commissioner of revenue under subdivision 6a;

(5) the amount of a levy to pay tort judgments against a taxing authority that become final after the proposed levy was certified, if the amount is approved by the commissioner of revenue under subdivision 6a; and

(6) the amount of an increase in levy limits certified to the taxing authority by the commissioner of revenue or the commissioner of education after the proposed levy was certified; and

(7) the amount required under section 5.

At the hearing the percentage increase in property taxes proposed by the taxing authority, if any, and the specific purposes for which property tax revenues are being increased must be discussed. During the discussion, the governing body shall hear comments regarding a proposed increase and explain the reasons for the proposed increase. The public shall be allowed to speak and to ask questions prior to adoption of any measures by the governing body. The governing body, other than the governing body of a school district, shall adopt its final property tax levy prior to adopting its final budget.

If the hearing is not completed on its scheduled date, the taxing authority must announce, prior to adjournment of the hearing, the date, time, and place for the continuation of the hearing. The continued hearing must be held at least five business days but no more than 14 business days after the original hearing.

The hearing must be held after 5:00 p.m. if scheduled on a day other than Saturday. No hearing may be held on a Sunday. The governing body of a county shall hold its hearing on the second Tuesday in December each year. The county auditor shall provide for the coordination of hearing dates for all cities and school districts within the county.

By August 15, each school board shall certify to the county auditors of the counties in which the school district is located the dates on which it elects to hold its hearings and any continuations. If a school board does not certify the dates by August 15, the auditor will assign the hearing date. The dates elected or assigned must not conflict with the county hearing dates. By August 20, the county auditor shall notify the clerks of the cities within the county of the dates on which school districts have elected to hold their hearings. At the time a city certifies its proposed levy under subdivision 1 it shall certify the dates on which it elects to hold its hearings and any continuations. The city must not select dates that conflict with the county hearing dates or with those elected by or assigned to the school districts in which the city is located.

The county hearing dates and the city and school district hearing dates must be designated on the notices required under subdivision 3. The continuation dates need not be stated on the notices.

This subdivision does not apply to towns and special taxing districts.

Sec. 32. Minnesota Statutes 1992, section 290.06, subdivision 2c, is amended to read:

Subd. 2c. [SCHEDULES OF RATES FOR INDIVIDUALS, ESTATES, AND TRUSTS.] (a) The income taxes imposed by this chapter upon married individuals filing joint returns and surviving spouses as defined in section 2(a) of the Internal Revenue Code of 1986 as amended through December 31, 1991, must be computed by applying to their taxable net income the following schedule of rates:

- (1) On the first ~~\$19,910~~ \$21,600, 6 percent;
- (2) On all over ~~\$19,910~~ \$21,600, but not over ~~\$79,120~~ \$85,830, 8 percent;
- (3) On all over ~~\$79,120~~ \$85,830, but not over \$100,000, 8.5 percent;
- (4) On all over \$100,000, 9.25 percent.

Married individuals filing separate returns, estates, and trusts must compute their income tax by applying the above rates to their taxable income, except that the income brackets will be one-half of the above amounts.

(b) The income taxes imposed by this chapter upon unmarried individuals must be computed by applying to taxable net income the following schedule of rates:

- (1) On the first ~~\$43,620~~ \$14,780, 6 percent;
- (2) On all over ~~\$43,620~~ \$14,780, but not over ~~\$44,750~~ \$48,550, 8 percent;

(3) On all over ~~\$44,750~~ \$48,550, but not over \$56,560, 8.5 percent;

(4) On all over \$56,560, 9.25 percent.

(c) The income taxes imposed by this chapter upon unmarried individuals qualifying as a head of household as defined in section 2(b) of the Internal Revenue Code of 1986, as amended through December 31, 1991, must be computed by applying to taxable net income the following schedule of rates:

(1) On the first ~~\$16,770~~ \$18,190, 6 percent;

(2) On all over ~~\$16,770~~ \$18,190, but not over ~~\$67,390~~ \$73,110, 8 percent;

(3) On all over ~~\$67,390~~ \$73,110, but not over \$85,170, 8.5 percent;

(4) On all over \$85,170, 9.25 percent.

(d) In lieu of a tax computed according to the rates set forth in this subdivision, the tax of any individual taxpayer whose taxable net income for the taxable year is less than an amount determined by the commissioner must be computed in accordance with tables prepared and issued by the commissioner of revenue based on income brackets of not more than \$100. The amount of tax for each bracket shall be computed at the rates set forth in this subdivision, provided that the commissioner may disregard a fractional part of a dollar unless it amounts to 50 cents or more, in which case it may be increased to \$1.

(e) An individual who is not a Minnesota resident for the entire year must compute the individual's Minnesota income tax as provided in this subdivision. After the application of the nonrefundable credits provided in this chapter, the tax liability must then be multiplied by a fraction in which:

(1) The numerator is the individual's Minnesota source federal adjusted gross income as defined in section 62 of the Internal Revenue Code of 1986, as amended through December 31, 1991, less the deduction allowed by section 217 of the Internal Revenue Code of 1986, as amended through December 31, 1991, after applying the allocation and assignability provisions of section 290.081, clause (a), or 290.17; and

(2) the denominator is the individual's federal adjusted gross income as defined in section 62 of the Internal Revenue Code of 1986, as amended through December 31, 1991, increased by the addition required for interest income from non-Minnesota state and municipal bonds under section 290.01, subdivision 19a, clause (1).

Sec. 33. Minnesota Statutes 1992, section 290.06, subdivision 2d, is amended to read:

Subd. 2d. [INFLATION ADJUSTMENT OF BRACKETS.] (a) For taxable years beginning after December 31, ~~1991~~ 1993, the minimum and maximum dollar amounts for each rate bracket for which a tax is imposed in subdivision 2c shall be adjusted for inflation by the percentage determined under paragraph (b). For the purpose of making the adjustment as provided in this subdivision all of the rate brackets provided in subdivision 2c shall be the rate brackets as they existed for taxable years beginning after December 31, ~~1990~~ 1992, and before January 1, ~~1992~~ 1994. The rate applicable to any rate bracket must not be changed. The dollar amounts setting forth the tax shall be adjusted to reflect the changes in the rate brackets. The rate brackets as

adjusted must be rounded to the nearest \$10 amount. If the rate bracket ends in \$5, it must be rounded up to the nearest \$10 amount.

(b) The commissioner shall adjust the rate brackets and by the percentage determined pursuant to the provisions of section 1(f) of the Internal Revenue Code of 1986, as amended through December 31, ~~1991~~ 1992, except that in section 1(f)(3)(B) the word "~~1990~~ 1992" shall be substituted for the word "~~1987~~ 1989." For ~~1991~~ 1994, the commissioner shall then determine the percent change from the 12 months ending on August 31, ~~1990~~ 1992, to the 12 months ending on August 31, ~~1991~~ 1993, and in each subsequent year, from the 12 months ending on August 31, ~~1990~~ 1992, to the 12 months ending on August 31 of the year preceding the taxable year. The determination of the commissioner pursuant to this subdivision shall not be considered a "rule" and shall not be subject to the administrative procedure act contained in chapter 14.

No later than December 15 of each year, the commissioner shall announce the specific percentage that will be used to adjust the tax rate brackets.

Sec. 34. [290.0621] [SCHOOL REFERENDUM TAX.]

Subdivision 1. [IMPOSITION.] In addition to all other taxes imposed by this chapter, a tax is imposed on individuals who reside within the territory of a school district in which the voters approved a tax increase at a referendum conducted under section 124A.038 for that purpose in 1995 or a subsequent year. This tax does not apply to referendums on bond issues. Individuals residing in the district on the last day of the taxable year are subject to the tax.

Subd. 2. [RATE.] The commissioner of revenue shall annually determine the rate of the tax imposed under this section as the percentage of taxable income of individuals subject to the tax. The school referendum tax rate is computed as follows:

(1) for each district described in subdivision 1, the discretionary revenue contribution ratio equals the lesser of (i) the ratio of taxable income of individuals residing in the district during the previous taxable year, divided by the actual pupil units, to the discretionary equalizing factor, or (ii) 10/7;

(2) the discretionary revenue equalizing factor equals the amount of taxable income of individuals residing in all districts subject to this section during the previous taxable year, divided by actual pupil units for those districts; or

(3) for each district described in subdivision 1, the school referendum tax rate equals the ratio of (i) the product of the district's total discretionary revenue under section 124A.038, subdivision 1e, times the district's discretionary revenue contribution ratio, to (ii) the taxable income of individuals residing in the district during the previous taxable year.

Subd. 3. [REVENUE DISTRIBUTION.] Revenue raised in subdivision 1 shall be placed in a special account in the general fund. The amount necessary to make payments to school districts under section 11 is annually appropriated from the general fund to the commissioner of education and shall be paid to school districts according to section 124.195. If the amount in the account is less than the amount needed to make the payments, the commissioner shall adjust the discretionary revenue equalizing factor in subdivision 2 the next year by an amount necessary to raise the shortfall.

Sec. 35. Minnesota Statutes 1992, section 290.091, subdivision 1, is amended to read:

Subdivision 1. [IMPOSITION OF TAX.] In addition to all other taxes imposed by this chapter a tax is imposed on individuals, estates, and trusts equal to the excess (if any) of

(a) an amount equal to ~~seven~~ 7.35 percent of alternative minimum taxable income after subtracting the exemption amount, over

(b) the regular tax for the taxable year.

Sec. 36. Minnesota Statutes 1992, section 290.091, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] For purposes of the tax imposed by this section, the following terms have the meanings given:

(a) "Alternative minimum taxable income" means the sum of the following for the taxable year:

(1) the taxpayer's federal alternative minimum taxable income as defined in section 55(b)(2) of the Internal Revenue Code;

(2) the taxpayer's itemized deductions allowed in computing federal alternative minimum taxable income, but excluding the Minnesota charitable contribution deduction and non-Minnesota charitable deductions to the extent they are included in federal alternative minimum taxable income under section 57(a)(6) of the Internal Revenue Code, and excluding the medical expense deduction;

(3) to the extent not included in federal alternative minimum taxable income, the amount of interest income as provided by section 290.01, subdivision 19a, clause (1); less the sum of

(i) interest income as defined in section 290.01, subdivision 19b, clause (1);

(ii) an overpayment of state income tax as provided by section 290.01, subdivision 19b, clause (2); and

(iii) the amount of investment interest paid or accrued within the taxable year on indebtedness to the extent that the amount does not exceed net investment income, as defined in section 163(d)(4) of the Internal Revenue Code. Interest does not include amounts deducted in computing federal adjusted gross income.

In the case of an estate or trust, alternative minimum taxable income must be computed as provided in section 59(c) of the Internal Revenue Code.

(b) "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended through December 31, ~~1991~~ 1992.

(c) "Investment interest" means investment interest as defined in section 163(d)(3) of the Internal Revenue Code.

(d) "Tentative minimum tax" equals ~~seven~~ 7.35 percent of alternative minimum taxable income after subtracting the exemption amount determined under subdivision 3.

(e) "Regular tax" means the tax that would be imposed under this chapter (without regard to this section and section 290.032), reduced by the sum of the nonrefundable credits allowed under this chapter.

(f) "Net minimum tax" means the minimum tax imposed by this section.

(g) "Minnesota charitable contribution deduction" means a charitable contribution deduction under section 170 of the Internal Revenue Code to or for the use of an entity described in section 290.21, subdivision 3, clauses (a) to (e).

Sec. 37. Minnesota Statutes 1992, section 290.091, subdivision 6, is amended to read:

Subd. 6. [CREDIT FOR PRIOR YEARS' LIABILITY.] (a) A credit is allowed against the tax imposed by this chapter on individuals, trusts, and estates equal to the minimum tax credit for the taxable year. The minimum tax credit equals the adjusted net minimum tax for taxable years beginning after December 31, 1988, reduced by the minimum tax credits allowed in a prior taxable year. The credit may not exceed the excess (if any) for the taxable year of

(1) the regular tax, over

(2) the greater of (i) the tentative alternative minimum tax, or (ii) zero.

(b) The adjusted net minimum tax for a taxable year equals the lesser of the net minimum tax or the excess (if any) of

(1) the tentative minimum tax, over

(2) ~~seven~~ 7.35 percent of the sum of

(i) adjusted gross income as defined in section 62 of the Internal Revenue Code,

(ii) interest income as defined in section 290.01, subdivision 19a, clause (1),

(iii) interest on specified private activity bonds, as defined in section 57(a)(5) of the Internal Revenue Code, to the extent not included under clause (ii),

(iv) depletion as defined in section 57(a)(1) of the Internal Revenue Code, less

(v) the deductions provided in clauses (3)(i), (3)(ii), and (3)(iii) of subdivision 2, paragraph (a), and

(vi) the exemption amount determined under subdivision 3.

In the case of an individual who is not a Minnesota resident for the entire year, adjusted net minimum tax must be multiplied by the fraction defined in section 290.06, subdivision 2c, paragraph (e). In the case of a trust or estate, adjusted net minimum tax must be multiplied by the fraction defined under subdivision 4, paragraph (b).

Sec. 38. [ESTIMATED TAX; PENALTIES AND INTEREST.]

No addition to tax, penalties, or interest may be imposed under Minnesota Statutes, chapter 289A for an underpayment of estimated tax under Minnesota

Statutes, section 289A.25 to the extent that the underpayment was created or increased by imposition of the increased tax rates under section 32 or 35. This section applies only for periods ending before July 1, 1993.

Sec. 39. [REFERENDUM AUTHORITY.]

Unless scheduled to expire sooner, a referendum levy authorized under section 124A.03, expires July 1, 1995.

Sec. 40. [TAX CREDIT ADJUSTMENT.]

Prior to the computation of homestead and agricultural aid for taxes payable in 1994, the commissioner of revenue shall reduce a school district's homestead and agricultural aid by an amount equal to the homestead and agricultural aid for calendar year 1993 times the ratio of referendum levy certified for 1993 to the certified unequalized levies for 1993.

Sec. 41. [PAYMENT DATES.]

Upon notification from the commissioner of finance of the need to reduce or avoid state short-term borrowing in fiscal year 1995, the commissioner of education shall delay payments due March 15, 1995, or April 15, 1995, under section 124.195, subdivision 3, by up to ten business days.

Sec. 42. [GENERAL EDUCATION REVENUE CORRECTIONS.]

Subdivision 1. [APPROPRIATION.] \$2,045,300 is appropriated in fiscal year 1994 from the general fund to the department of education for payments to special school district No. 1, Minneapolis and independent school district No. 625, St. Paul. Of this amount, \$555,600 is for Minneapolis and \$1,489,000 is for St. Paul. The purpose of these payments is to correct general education revenue for the omission of supplemental contributions to teacher retirement in the change in general education revenue in Laws 1987.

Subd. 2. [LEVY.] The districts may levy in payable 1994 or later an amount not to exceed the aggregate levy authority the districts would have had if supplemental pension contributions have been included.

Subd. 3. [DULUTH RECOMPUTATION.] The department of education shall recompute the base revenue in fiscal year 1988 for supplemental revenue determination for fiscal year 1995 and thereafter for the omission of supplemental pension contributions for independent school district No. 709, Duluth.

Subd. 4. [USE.] The revenue from subdivisions 1 and 2 shall be transferred to the teacher retirement funds of the districts.

Subd. 5. [COMPUTATION.] The department of education, with consultation of the legislative commission on pensions and retirement, shall determine the pension contribution amounts in subdivisions 1 and 3.

Sec. 43. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums indicated in this section are appropriated from the general fund to the department of education for the fiscal years designated.

Subd. 2. [GENERAL AND SUPPLEMENTAL EDUCATION AID.] For general and supplemental education aid:

\$1,887,549,000 1994

\$2,072,898,000..... 1995

The 1994 appropriation includes \$257,551,000 for 1993 and \$1,629,998,000 for 1994.

The 1995 appropriation includes \$277,863,000 for 1994 and \$1,795,035,000 for 1995.

Sec. 44. [REPEALER.]

(a) Minnesota Statutes 1992, section 124.197, is repealed.

(b) Minnesota Statutes 1992, section 124A.26, subdivision 1a, is repealed effective July 1, 1994.

(c) Laws 1988, chapter 486, section 59, is repealed.

Sec. 45. [EFFECTIVE DATE.]

Sections 32 and 33 and 35 to 38 are effective for taxable years beginning after December 31, 1992.

Sections 1 and 25 are only effective for fiscal year 1994. Sections 7, 8, 9, 10, 17, 19, 20, 21, 22, and 23, are effective for revenue for the 1994-1995 school year. Section 5 is effective the day following final enactment and shall be applicable to all school district debt obligations issued on or after its effective date. Section 16 is effective July 1, 1993, and applies to 1993-1994 and later school years. Sections 11 and 34 are effective for fiscal year 1997. Sections 12 and 29 are effective for revenue for fiscal year 1995 except for the change in marginal cost pupil units which is effective for fiscal year 1994. Section 30 is effective for taxes payable in 1994. A provision of this article that changes the term "actual pupil unit" to "marginal cost pupil unit" is effective in fiscal year 1994.

ARTICLE 2

TRANSPORTATION

Section 1. Minnesota Statutes 1992, section 120.062, subdivision 9, is amended to read:

Subd. 9. [TRANSPORTATION.] *(a) If requested by the parent of a pupil, the nonresident district shall provide transportation within the district. The state shall pay transportation aid to the district according to section 124.225.*

The resident district is not required to provide or pay for transportation between the pupil's residence and the border of the nonresident district. A parent may be reimbursed by the nonresident district for the costs of transportation from the pupil's residence to the border of the nonresident district if the pupil is from a family whose income is at or below the poverty level, as determined by the federal government. The reimbursement may not exceed the pupil's actual cost of transportation or 15 cents per mile traveled, whichever is less. Reimbursement may not be paid for more than 250 miles per week.

At the time a nonresident district notifies a parent or guardian that an application has been accepted under subdivision 5 or 6, the nonresident district must provide the parent or guardian with the following information regarding the transportation of nonresident pupils under this section:

(1) a nonresident district may transport a pupil within the pupil's resident district under this section only with the approval of the resident district; and

(2) a parent or guardian of a pupil attending a nonresident district under this section may appeal under section 123.39, subdivision 6, the refusal of the resident district to allow the nonresident district to transport the pupil within the resident district.

(b) Notwithstanding paragraph (a) and section 124.225, subdivision 8l, transportation provided by a nonresident district between home and school for a pupil attending school under this section is authorized for nonregular transportation revenue under section 124.225, if the following criteria are met:

(1) the school that the pupil was attending prior to enrolling in the nonresident district under this section was closed;

(2) the distance from the closed school to the next nearest school in the district that the student could attend is at least 20 miles;

(3) the pupil's residence is at least 20 miles from any school that the pupil could attend in the resident district; and

(4) the pupil's residence is closer to the school of attendance in the nonresident district than to any school the pupil could attend in the resident district.

Sec. 2. Minnesota Statutes 1992, section 123.39, is amended by adding a subdivision to read:

Subd. 15. [PUPIL TRANSPORT ON STAFF DEVELOPMENT DAYS.] A school district may provide bus transportation between home and school for pupils on days devoted to parent-teacher conferences, teacher's workshops, or other staff development opportunities. If approved by the commissioner as part of a program of educational improvement, the cost of providing this transportation, as determined by generally accepted accounting principles, must be considered part of the authorized cost for regular transportation for the purposes of section 124.225. The commissioner shall approve inclusion of these costs in the regular transportation category only if the total number of instructional hours in the school year divided by the total number of days for which transportation is provided equals or exceeds the number of instructional hours per day prescribed in the rules of the state board.

Sec. 3. Minnesota Statutes 1992, 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 (c), 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 $33\frac{1}{3}$ 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 169.01, subdivision 6, paragraph (c), 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) "Transportation category" means a category of transportation service provided to pupils as follows:

(1) Regular transportation is transportation services provided during the regular school year under section 124.223, subdivisions 1 and 2, excluding the following transportation services provided under section 124.223, subdivision 1: transportation between schools; noon transportation to and from school for kindergarten pupils attending half-day sessions; 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, subdivision 1, that are excluded from the regular category and transportation services provided under section 124.223, subdivisions 3, 4, 5, 6, 7, 8, 9, and 10.

(3) Excess transportation is transportation to and from school during the regular school year 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.

(4) Desegregation transportation is transportation during the regular school year 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.

(5) Handicapped transportation is transportation provided under section 124.223, subdivision 4, for pupils with a disability between home or a respite care facility and school or other buildings where special instruction required by section 120.17 is provided.

(d) "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.

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

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

(g) "Base cost" means the ratio of:

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

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

(h) "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~~ FTE's 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.

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

(j) "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.

(k) "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.

(l) "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 lesser of one or the result in clause (1).

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

(m) "Adjusted predicted base cost" means the predicted base cost as computed in subdivision 3a as adjusted under subdivision 7a.

(n) "Regular transportation allowance" means the adjusted predicted base cost, inflated and adjusted under subdivision 7b.

Sec. 4. Minnesota Statutes 1992, section 124.225, subdivision 3a, is amended to read:

Subd. 3a. [PREDICTED BASE COST.] A district's predicted base cost equals the result of the following computation:

(a) Multiply the transportation formula allowance by the district's sparsity index raised to the one-fourth power. The transportation formula allowance is \$424 \$447 for the 1989-1990 1991-1992 base year and \$434 \$463 for the 1990-1991 1992-1993 base year.

(b) Multiply the result in paragraph (a) by the district's density index raised to the 35/100 power.

(c) Multiply the result in paragraph (b) by the district's contract transportation index raised to the $1/20$ power.

Sec. 5. Minnesota Statutes 1992, section 124.225, subdivision 7b, is amended to read:

Subd. 7b. [INFLATION FACTORS.] The adjusted predicted base cost determined for a district under subdivision 7a for the base year must be increased by 4.0 2.7 percent to determine the district's regular transportation allowance for the 1991-1992 1993-1994 school year and by 2.0 3.4 percent to determine the district's regular transportation allowance for the 1992-1993 1994-1995 school year, but the regular transportation allowance for a district cannot be less than the district's minimum regular transportation allowance according to Minnesota Statutes 1990, section 124.225, subdivision 1, paragraph (t).

Sec. 6. Minnesota Statutes 1992, section 124.225, subdivision 7d, is amended to read:

Subd. 7d. [TRANSPORTATION REVENUE.] Transportation revenue for each district equals the sum of the district's regular transportation revenue and, the district's nonregular transportation revenue, and the district's excess transportation revenue.

(a) The regular transportation revenue for each district equals the district's regular transportation allowance according to subdivision 7b times the sum of the number of FTE's transported by the district in the regular, desegregation, and handicapped categories in the current school year.

(b) The nonregular transportation revenue for each district for the 1991-1992 school year equals the lesser of the district's actual costs in the 1991-1992 school year for nonregular transportation services or the product of the district's actual cost in the 1990-1991 school year for nonregular transportation services as defined for the 1991-1992 school year in subdivision 1, paragraph (e), times the ratio of the district's average daily membership for the 1991-1992 school year to the district's average daily membership for the 1990-1991 school year according to section 124.17, subdivision 2, times 1.03, minus the amount of regular transportation revenue attributable to FTE's transported in the desegregation and handicapped categories in the current school year, plus the excess nonregular transportation revenue for the 1991-1992 school year according to subdivision 7e.

(e) For the 1992-1993 and later school years, the nonregular transportation revenue for each district equals the lesser of the district's actual cost in the current school year for nonregular transportation services or the product of the district's actual cost in the base year for nonregular transportation services as defined for the current year in subdivision 1, paragraph (c), times the ratio of the district's average daily membership for the current year to the district's average daily membership for the base year according to section 124.17, subdivision 2, times the nonregular transportation inflation factor for the current year, minus the amount of regular transportation revenue attributable to FTE's transported in the desegregation and handicapped categories in the current school year, plus the excess nonregular transportation revenue for the current year according to subdivision 7e. The nonregular transportation inflation factor is 1.047 for the 1992-1993 1993-1994 school year is 1.061 and 1.034 for the 1994-1995 school year.

(c) For 1994-1995 and later school years, the excess transportation revenue for each school district equals the result of the following computation:

(1) multiply the lesser of (i) the regular transportation allowance for the current school year or (ii) the base cost for the current school year, by the number of weighted FTE's in the excess category in the district in the current school year;

(2) add to the result in clause (1) the actual cost in the current school year of other related services that are necessary because of extraordinary traffic hazards.

Sec. 7. Minnesota Statutes 1992, section 124.225, subdivision 7e, is amended to read:

Subd. 7e. [EXCESS NONREGULAR TRANSPORTATION REVENUE.]

(a) A district's excess nonregular transportation revenue for the 1991-1992 school year equals an amount equal to 80 percent of the difference between:

(1) the district's actual cost in the 1991-1992 school year for nonregular transportation services as defined for the 1991-1992 school year in subdivision 1, paragraph (c), and

(2) the product of the district's actual cost in the 1990-1991 school year for nonregular transportation services as defined for the 1991-1992 school year in subdivision 1, paragraph (c), times 1.15, times the ratio of the district's average daily membership for the 1991-1992 school year to the district's average daily membership for the 1990-1991 school year.

(b) A district's excess nonregular transportation revenue for the 1992-1993 school year and later school years equals an amount equal to 80 percent of the difference between:

(1) the district's actual cost in the current year for nonregular transportation services as defined for the current year in subdivision 1, paragraph (c), and

(2) the product of the district's actual cost in the base year for nonregular transportation services as defined for the current year in subdivision 1, paragraph (c), times 1.30, times the ratio of the district's average daily membership for the current year to the district's average daily membership for the base year.

(c) The state total excess nonregular transportation revenue must not exceed \$2,000,000 for the 1991-1992 school year and \$2,000,000 for the 1992-1993 school year. If the state total revenue according to paragraph (a) or (b) exceeds the limit set in this paragraph, the excess nonregular transportation revenue for each district equals the district's revenue according to paragraph (a) or (b), times the ratio of the limitation set in this paragraph to the state total revenue according to paragraph (a) or (b).

Sec. 8. Minnesota Statutes 1992, section 124.225, subdivision 8a, is amended to read:

Subd. 8a. [TRANSPORTATION AID.] (a) A district's transportation aid for a school year equals the product of:

(1) the difference between the transportation revenue and the sum of:

(i) the maximum basic transportation levy for that school year under section 275.125, subdivision 5, plus

(ii) the maximum nonregular transportation levy for that school year under section 124.226, subdivision 4, plus

(iii) the maximum excess transportation levy for that school year under section 124.226, subdivision 5,

(iv) the contracted services aid reduction under subdivision 8k,

(2) times the ratio of the sum of the actual amounts levied under section 124.226, subdivisions 1 and, 4, and 5, to the sum of the permitted maximum levies under section 124.226, subdivisions 1 and, 4, and 5.

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

Sec. 9. Minnesota Statutes 1992, section 124.226, subdivision 3, is amended to read:

Subd. 3. [OFF-FORMULA ADJUSTMENT.] In a district if the basic transportation levy under subdivision 1 attributable to that fiscal year is more than the difference between (1) the district's transportation revenue under section 124.225, subdivision 7d, and (2) the sum of the district's maximum nonregular levy under subdivision 4 and the district's contracted services aid reduction under section 124.225, subdivision 8k, and the amount of any reduction due to insufficient appropriation under section 124.225, subdivision 8a, the district's transportation levy in the second year following each fiscal year must be reduced by the difference between the amount of the excess and the amount of the aid reduction for the same fiscal year according to subdivision 3a.

Sec. 10. Minnesota Statutes 1992, section 124.226, is amended by adding a subdivision to read:

Subd. 3a. [TRANSPORTATION LEVY EQUITY.] (a) If a district's basic transportation levy for a fiscal year is adjusted according to subdivision 3, an amount must be deducted from the state payments that are authorized in chapter 273 and that are receivable for the same fiscal year. The amount of the deduction equals the difference between:

(1) the district's transportation revenue under section 124.225, subdivision 7d; and

(2) the sum of the district's maximum basic transportation levy under subdivision 1, the district's maximum nonregular levy under subdivision 4, the district's maximum excess transportation levy under subdivision 5, the district's contracted services aid reduction under section 124.225, subdivision 8k, and the amount of any reduction due to insufficient appropriation under section 124.225, subdivision 8a.

(b) Notwithstanding paragraph (a), for fiscal year 1995, the amount of the deduction is one-fourth of the difference between clauses (1) and (2); for fiscal year 1996, the amount of the deduction is one-half of the difference between clauses (1) and (2); and for fiscal year 1997, the amount of the deduction is three-fourths of the difference between clauses (1) and (2).

(c) The amount of the deduction in any fiscal year must not exceed the amount of state payments that are authorized in chapter 273 and that are receivable for the same fiscal year in the district's transportation fund.

Sec. 11. Minnesota Statutes 1992, section 124.226, subdivision 5, is amended to read:

Subd. 5. [EXCESS TRANSPORTATION.] 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. The excess transportation levy equals the district's excess transportation revenue as defined in section 124.225, subdivision 7d, multiplied by the lesser of one, or the ratio of (i) the quotient derived by dividing the adjusted net tax capacity of the district for the year before the year the levy is certified, by the average daily membership in the district for the school year to which the levy is attributable, to (ii) \$3,500.~~

Sec. 12. Minnesota Statutes 1992, section 124.226, subdivision 9, is amended to read:

Subd. 9. [LATE ACTIVITY BUSES.] (a) A school district may levy an amount equal to the lesser of:

(1) the actual cost of late transportation home from school, between schools within a district, or between schools in one or more districts that have an agreement under sections 122.241 to 122.248, 122.535, 122.541, or 124.494, for pupils involved in after school activities for the school year beginning in the year the levy is certified; or

(2) two percent of the district's regular transportation revenue for that school year according to section 124.225, subdivision 7d, paragraph (a).

(b) A district that levies under this section must provide late transportation home from school for students participating in any academic-related activities provided by the district if transportation is provided for students participating in athletic activities.

~~(c) A district may levy under this subdivision only if the district provided late transportation home from school during fiscal year 1991.~~

Sec. 13. Laws 1991, chapter 265, article 2, section 19, subdivision 2, is amended to read:

Subd. 2. [TRANSPORTATION AID.] For transportation aid according to Minnesota Statutes, section 124.225:

\$116,340,000 1992

\$123,133,000 1993

The 1992 appropriation includes \$17,679,000 for 1991 and \$98,661,000 for 1992.

The 1993 appropriation includes \$17,146,000 for 1992 and \$105,987,000 for 1993.

~~\$1,500,000~~ \$2,000,000 in fiscal year 1992 and ~~\$1,000,000~~ \$500,000 in fiscal year 1993 are for desegregation costs not funded in the regular or nonregular transportation formulas. The department shall allocate these amounts in proportion to the unfunded desegregation costs. Any excess of the 1992 amount is not available for transfer under Minnesota Statutes, section 124.14, subdivision 7 and is available for unfunded desegregation costs in 1993.

For purposes of this subdivision, for fiscal year 1992 "desegregation costs" means all expenditures for desegregation transportation as defined in Minnesota Statutes, section 124.225, subdivision 1, paragraph (d), clause (4), for which aid is authorized in Minnesota Statutes, section 124.223, plus an amount equal to one year's depreciation, computed according to Minnesota Statutes, section 124.225, subdivision 1, paragraph (b), clauses (2), (3), and (4), on district school buses used primarily for desegregation transportation.

Sec. 14. [ADDITIONAL LATE ACTIVITY LEVY.]

A school district that is eligible to certify a levy under section 12 and was not eligible to certify a levy under Minnesota Statutes 1992, section 124.226, subdivision 9, may certify an additional amount in 1993 for taxes payable in 1994 equal to the amount it would have been authorized to certify in 1992 for taxes payable in 1993 had it been eligible. A levy authorized under this section must be recognized according to section 124.918, subdivision 6.

Sec. 15. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums indicated in this section are appropriated from the general fund to the department of education for the fiscal years designated.

Subd. 2. [TRANSPORTATION AID.] For transportation aid according to Minnesota Statutes, section 124.225:

\$128,351,900 1994

\$143,346,400 1995

The 1994 appropriation includes \$18,327,000 for 1993 and \$110,024,900 for 1994.

The 1995 appropriation includes \$19,416,100 for 1994 and \$123,930,300 for 1995.

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

\$52,000 1994

\$58,000 1995

Subd. 4. [TRANSPORTATION AID FOR ENROLLMENT OPTIONS.]

For transportation of pupils attending nonresident districts according to Minnesota Statutes, section 120.0621:

\$15,000 1994

\$19,000 1995

Subd. 5. [TRANSFER AUTHORITY.] If the appropriation in subdivision 3 or 4 for either year exceeds the amount needed to pay the state's obligation for that year under that subdivision, the excess amount may be used to make payments for that year under the other subdivision.

Sec. 16. [EFFECTIVE DATE.]

Sections 6, 8, 9, and 10 are effective July 1, 1994. Section 13 is effective for fiscal years 1992 and 1993. Sections 12 and 14 are effective for levies certified in 1993 for taxes payable in 1994.

ARTICLE 3

SPECIAL PROGRAMS

Section 1. Minnesota Statutes 1992, section 120.17, subdivision 2, is amended to read:

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

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

(2) establishment of special classes;

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

(4) in other districts;

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

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

(7) in other states;

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

(9) for children under age five and their families, programs and services established through collaborative efforts with other agencies;

(10) for children under age five and their families, programs in which children with a disability are served with children without a disability; and

(11) any other method approved by the commissioner.

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

(c) The primary responsibility for the education of a child with a disability shall remain with the district of the child's residence regardless of which method of providing special instruction and services is used. *If a district other than a child's district of residence provides special instruction and services to the child, then the district providing the special instruction and services shall notify the child's district of residence before the child's individual education plan is developed and shall provide the district of residence an opportunity to participate in the plan's development.* The district of residence must inform the parents of the child about the methods of instruction that are available.

(d) Paragraphs (e) to (i) may be cited as the "blind persons' literacy rights and education act."

(e) The following definitions apply to paragraphs (f) to (i).

"Blind student" means an individual who is eligible for special educational services and who:

(1) has a visual acuity of 20/200 or less in the better eye with correcting lenses or has a limited field of vision such that the widest diameter subtends an angular distance of no greater than 20 degrees; or

(2) has a medically indicated expectation of visual deterioration.

"Braille" means the system of reading and writing through touch commonly known as standard English Braille.

"Individualized education plan" means a written statement developed for a student eligible for special education and services pursuant to this section and section 602(a)(20) of part A of the Individuals with Disabilities Education Act, United States Code, title 20, section 1401(a).

(f) In developing an individualized education plan for each blind student the presumption must be that proficiency in Braille reading and writing is essential for the student to achieve satisfactory educational progress. The assessment required for each student must include a Braille skills inventory, including a statement of strengths and deficits. Braille instruction and use are not required by this paragraph if, in the course of developing the student's individualized education program, team members concur that the student's visual impairment does not affect reading and writing performance commensurate with ability. This paragraph does not require the exclusive use of Braille if other special education services are appropriate to the student's educational needs. The provision of other appropriate services does not preclude Braille use or instruction. Instruction in Braille reading and writing shall be available for each blind student for whom the multidisciplinary team has determined that reading and writing is appropriate.

(g) Instruction in Braille reading and writing must be sufficient to enable each blind student to communicate effectively and efficiently with the same level of proficiency expected of the student's peers of comparable ability and grade level.

(h) The student's individualized education plan must specify:

(1) the results obtained from the assessment required under paragraph (f);

(2) how Braille will be implemented through integration with other classroom activities;

- (3) the date on which Braille instruction will begin;
- (4) the length of the period of instruction and the frequency and duration of each instructional session;
- (5) the level of competency in Braille reading and writing to be achieved by the end of the period and the objective assessment measures to be used; and
- (6) if a decision has been made under paragraph (f) that Braille instruction or use is not required for the student:
 - (i) a statement that the decision was reached after a review of pertinent literature describing the educational benefits of Braille instruction and use; and
 - (ii) a specification of the evidence used to determine that the student's ability to read and write effectively without Braille is not impaired.
- (i) Instruction in Braille reading and writing is a service for the purpose of special education and services under this section.
- (j) Paragraphs (e) to (i) shall not be construed to supersede any rights of a parent or guardian of a child with a disability under federal or state law.

Sec. 2. Minnesota Statutes 1992, section 120.17, subdivision 3, is amended to read:

Subd. 3. [RULES OF THE STATE BOARD.] The state board shall promulgate rules relative to qualifications of essential personnel, courses of study, methods of instruction, pupil eligibility, size of classes, rooms, equipment, supervision, parent consultation, and any other rules it deems necessary for instruction of children with a disability. These rules shall provide standards and procedures appropriate for the implementation of and within the limitations of subdivisions 3a and 3b. These rules shall also provide standards for the discipline, control, management and protection of children with a disability. The state board shall not adopt rules for pupils served in level 1, 2, or 3, as defined in Minnesota Rules, part 3525.2340, establishing either case loads or the maximum number of pupils that may be assigned to special education teachers. The state board, in consultation with the departments of health and human services, shall adopt permanent rules for instruction and services for children under age five and their families. *These rules are binding on state and local education, health, and human services agencies.* The state board shall adopt rules to determine eligibility for special education services. The rules shall include procedures and standards by which to grant variances for experimental eligibility criteria. The state board shall, according to section 14.05, subdivision 4, notify a district applying for a variance from the rules within 45 calendar days of receiving the request whether the request for the variance has been granted or denied. If a request is denied, the board shall specify the program standards used to evaluate the request and the reasons for denying the request.

Sec. 3. Minnesota Statutes 1992, section 120.17, subdivision 11a, is amended to read:

Subd. 11a. [STATE INTERAGENCY COORDINATING COUNCIL.] An interagency coordinating council of at least ~~15 members~~ 17, but not more than 25 members is established, in compliance with Public Law Number 102-119, section 682. The members shall be appointed by the governor. Council members shall elect the council chair. The representative of the commissioner

of education may not serve as the chair. The council shall be composed of at least five parents, including persons of color, of children with disabilities under age 12, including at least three parents of a child with a disability under age seven, ~~three~~ *five* representatives of public or private providers of services for children with disabilities under age five, including a special education director, county social service director, and a community health services or public health nursing administrator, one member of the senate, one member of the house of representatives, one representative of teacher preparation programs in early childhood-special education or other preparation programs in early childhood intervention, at least one representative of advocacy organizations for children with disabilities under age five, one physician who cares for young children with special health care needs, one representative each from the commissioners of commerce, education, health, human services, and jobs and training, and a representative from Indian health services or a tribal council. Section 15.059, subdivisions 2 to 5, apply to the council. The council shall meet at least quarterly.

The council shall address methods of implementing the state policy of developing and implementing comprehensive, coordinated, multidisciplinary interagency programs of early intervention services for children with disabilities and their families.

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

Each year by June 1, the council shall recommend to the governor and the commissioners of education, health, human services, commerce, and jobs and training policies for a comprehensive and coordinated system.

Sec. 4. Minnesota Statutes 1992, section 120.17, subdivision 11b, is amended to read:

Subd. 11b. [RESPONSIBILITIES OF COUNTY BOARDS AND SCHOOL DISTRICTS BOARDS.] It is the joint responsibility of county boards and school ~~districts boards~~ to coordinate, provide, and pay for appropriate services, and to facilitate payment for services from public and private sources. Appropriate services *for children eligible under section 120.03* must be determined in consultation with parents, physicians, and other educational, medical, health, and human services providers. *The services provided must be in conformity with an individual family service plan (IFSP) as defined in code of federal regulations, title 34, sections 303.340, 303.341a, and 303.344 for each eligible infant and toddler from birth through age two and its family, or an individual education plan (IEP) or individual service plan (ISP) for each eligible child ages three through four. County boards and school boards shall not be required to provide any services under an individual family service plan that are not required in an individual education plan or individual service plan.* Appropriate services include family education and counseling, home visits, occupational and physical therapy, speech pathology, audiology, psychological services, *special instruction*, case management *including service coordination*, medical services for diagnostic

and evaluation purposes, early identification, and screening, assessment, and health services necessary to enable children with disabilities to benefit from early intervention services. ~~School districts must be the primary agency in this cooperative effort. County and school boards shall jointly determine the primary agency in this cooperative effort and must notify the commissioner of education of their decision.~~

Sec. 5. Minnesota Statutes 1992, section 120.17, subdivision 12, is amended to read:

Subd. 12. [INTERAGENCY EARLY INTERVENTION COMMITTEE COMMITTEES.] (a) A school district, group of districts, or special education cooperative, in cooperation with the health and human service agencies located in the county or counties in which the district or cooperative is located, shall establish an interagency early intervention committee for children with a ~~disability~~ disabilities under age five and their families. ~~Members of the committee~~ Committees shall ~~be~~ include representatives of local and regional health, education, and county human service agencies; county boards; school boards; early childhood family education programs; parents of young children with disabilities under age twelve; current service providers; ~~parents of young children with a disability~~; and may also include representatives from other private or public agencies. The committee shall elect a chair from among its members and shall meet at least quarterly.

(b) The committee shall ~~perform~~ develop and implement interagency policies and procedures concerning the following ongoing duties:

(1) ~~identify current services and funding being provided within the community for children with a disability under the age of five and their families develop public awareness systems designed to inform potential recipient families of available programs and services;~~

(2) ~~implement interagency child find systems designed to actively seek out, identify, and refer infants and young children with, or at risk of, disabilities and their families;~~

(3) ~~establish and evaluate the identification, referral, child and family assessment systems, procedural safeguard process, and community learning systems to recommend, where necessary, alterations and improvements;~~

(3) ~~facilitate~~ (4) ~~assure~~ the development of individualized family service plans for all eligible infants and toddlers with disabilities from birth through age two, and their families, and individual education plans and individual service plans when necessary to appropriately serve children with a disability under the age of five disabilities, age three and older, and their families and recommend assignment of financial responsibilities to the appropriate agencies. Agencies are encouraged to develop individual family service plans for children with disabilities, age three and older;

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

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

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

(7) identify the current services and funding being provided within the community for children with disabilities under age five and their families; and

(8) develop a plan for the allocation and expenditure of additional state and federal early intervention funds under United States Code, title 20, section 1471 et seq. (Part H, Public Law Number 102-119) and United States Code, title 20, section 631, et seq. (Chapter I, Public Law Number 89-313).

(c) The local committee shall also:

(1) participate in needs assessments and program planning activities conducted by local social service, health and education agencies for young children with disabilities and their families;

(2) review and comment on the early intervention section of the total special education system for the district, the county social service plan; the section or sections of the community health services plan that address needs of and service activities targeted to children with special health care needs; and the section of the maternal and child health special project grants that address needs of and service activities targeted to children with chronic illness and disabilities; and

(3) prepare a yearly summary on the progress of the community in serving young children with disabilities, and their families, including the expenditure of funds, the identification of unmet service needs identified on the individual family services plan and other individualized plans, and local, state, and federal policies impeding the implementation of this section.

(d) The summary must be organized following a format prescribed by the commissioner of education and must be submitted to each of the local agencies and to the state interagency coordinating council by October 1 of each year.

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

Sec. 6. Minnesota Statutes 1992, section 120.17, subdivision 14, is amended to read:

Subd. 14. [MAINTENANCE OF EFFORT.] A county human services agency or county board shall continue to provide services set forth in their county social service agency plan ~~for~~. ~~The county human services agency or county board shall serve children with a disability~~ disabilities under age five, and their families, or as specified in the individualized family service plan for children with disabilities, birth through age two, or the individual service plan of each child. Special instruction and related services for which a child with a disability is eligible under this section ~~are not~~ are the responsibility of the local human services agency or county school board. It is the joint responsibility of county boards and school districts boards to coordinate, provide, and pay for all appropriate services not required under this section in subdivision 11b and to facilitate payment for services from public and private sources. ~~School districts and counties are encouraged to enter into agreements to cooperatively serve and provide funding for children with a disability under age five and their families.~~

Sec. 7. Minnesota Statutes 1992, section 120.17, is amended by adding a subdivision to read:

Subd. 14a. [LOCAL INTERAGENCY AGREEMENTS.] School boards and the county board may enter into agreements to cooperatively serve and provide funding for children with disabilities, under age five, and their families within a specified geographic area.

The local interagency agreement must address, at a minimum, the following issues:

(1) responsibilities of local agencies on local interagency early intervention committees (IEIC's), consistent with subdivision 12;

(2) assignment of financial responsibility for early intervention services;

(3) methods to resolve intra-agency and interagency disputes;

(4) identification of current resources and recommendations about the allocation of additional state and federal early intervention funds under the auspices of United States Code, title 20, section 1471 et seq. (Part H, Public Law Number 102-119) and United State Code, title 20, section 631, et seq. (Chapter I, Public Law Number 89-313);

(5) data collection; and

(6) other components of the local early intervention system consistent with Public Law Number 102-119.

Sec. 8. Minnesota Statutes 1992, section 120.17, subdivision 15, is amended to read:

Subd. 15. [THIRD PARTY PAYMENT.] Nothing in this section relieves an insurer or similar third party from an otherwise valid obligation to pay, or changes the validity of an obligation to pay, for services rendered to a child with a disability, and the child's family.

Sec. 9. Minnesota Statutes 1992, section 120.17, is amended by adding a subdivision to read:

Subd. 18. [STATE INTERAGENCY AGREEMENT.] (a) The commissioners of the departments of education, health, and human services shall enter into an agreement to implement this section and Part H, Public Law Number 102-119, and as required by Code of Federal Regulations, title 34, section 303.523, to promote the development and implementation of interagency, coordinated, multidisciplinary state and local early childhood intervention service systems for serving eligible young children with disabilities, birth through age two, and their families. The agreement must be reviewed annually.

(b) The state interagency agreement shall outline at a minimum the conditions, procedures, purposes, and responsibilities of the participating state and local agencies for the following:

(1) membership, roles, and responsibilities of a state interagency committee for the oversight of priorities and budget allocations under Part H, Public Law Number 102-119, and other state allocations for this program;

(2) child find;

(3) establishment of local interagency agreements;

(4) review by a state interagency committee of the allocation of additional state and federal early intervention funds by local agencies;

- (5) *fiscal responsibilities of the state and local agencies;*
- (6) *intra-agency and interagency dispute resolution;*
- (7) *payor of last resort;*
- (8) *maintenance of effort;*
- (9) *procedural safeguards, including mediation;*
- (10) *complaint resolution;*
- (11) *quality assurance;*
- (12) *data collection; and*
- (13) *other components of the state and local early intervention system consistent with Public Law Number 102-119.*

Written materials must be developed for parents, IEIC's, and local service providers that describe procedures developed under this section as required by Code of Federal Regulations, title 34, section 303.

Sec. 10. Minnesota Statutes 1992, section 124.245, subdivision 6, is amended to read:

Subd. 6. [ALTERNATIVE ATTENDANCE PROGRAMS.] The capital expenditure facilities aid under section 124.243 and the capital expenditure equipment aid under section 124.244 for districts must be adjusted for each pupil, ~~excluding a pupil with a disability as defined in section 120.03,~~ attending a nonresident district under sections 120.062, 120.075, 120.0751, 120.0752, 124C.45 to 124C.48, and 126.22. The adjustments must be made according to this subdivision.

(a) Aid paid to a district of the pupil's residence must be reduced by an amount equal to the revenue amount per actual pupil unit of the resident district times the number of pupil units of pupils enrolled in nonresident districts.

(b) Aid paid to a district serving nonresidents must be increased by an amount equal to the revenue amount per actual pupil unit of the nonresident district times the number of pupil units of nonresident pupils enrolled in the district.

(c) If the amount of the reduction to be made from the aid of a district is greater than the amount of aid otherwise due the district, the excess reduction must be made from other state aids due the district.

Sec. 11. Minnesota Statutes 1992, section 124.273, subdivision 1b, is amended to read:

Subd. 1b. [TEACHERS SALARIES.] Each year the state shall pay a school district a portion of the salary of one full-time equivalent teacher for each 45 40 pupils of limited English proficiency enrolled in the district. Notwithstanding the foregoing, the state shall pay a portion of the salary of one-half of a full-time equivalent teacher to a district with 22 20 or fewer pupils of limited English proficiency enrolled. The portion for a full-time teacher shall be the lesser of 55.2 percent of the salary or \$15,320. The portion for a part-time or limited-time teacher shall be the lesser of 55.2 percent of the salary or the product of \$15,320 times the ratio of the person's actual employment to

full-time employment. *For the purposes of this subdivision, a teacher includes nonlicensed personnel who provide direct instruction to students of limited English proficiency under the supervision of a licensed teacher.*

Sec. 12. Minnesota Statutes 1992, section 124.273, is amended by adding a subdivision to read:

Subd. 2c. [SUPPLY AND EQUIPMENT AID.] Each year the state shall pay a school district for supplies and equipment purchased or rented for use in the instruction of pupils of limited English proficiency an amount equal to 47 percent of the sum actually spent by the district but not to exceed an average of \$47 in any one school year for each pupil of limited English proficiency receiving instruction.

Sec. 13. Minnesota Statutes 1992, section 124.32, subdivision 1b, is amended to read:

Subd. 1b. [TEACHERS SALARIES.] (a) Each year the state shall pay to a district a portion of the salary of each essential person employed in the district's program for children with a disability during the regular school year, whether the person is employed by one or more districts. The state shall also pay to the Minnesota state academy for the deaf or the Minnesota state academy for the blind a part of the salary of each instructional aide assigned to a child attending the academy, if that aide is required by the child's individual education plan.

(b) ~~For the 1991-1992 school year, the portion for a full-time person shall be an amount not to exceed the lesser of 56.4 percent of the salary or \$15,700. The portion for a part-time or limited-time person shall be an amount not to exceed the lesser of 56.4 percent of the salary or the product of \$15,700 times the ratio of the person's actual employment to full-time employment.~~

(c) For the 1992-1993 school year and thereafter, the portion for a full-time person is an amount not to exceed the lesser of 55.2 percent of the salary or \$15,320. The portion for a part-time or limited-time person is an amount not to exceed the lesser of 55.2 percent of the salary or the product of \$15,320 times the ratio of the person's actual employment to full-time employment.

Sec. 14. Minnesota Statutes 1992, section 124.32, subdivision 1d, is amended to read:

Subd. 1d. [CONTRACT SERVICES.] For special instruction and services provided to any pupil by contracting with public, private, or voluntary agencies other than school districts, *in place of special instruction and services provided by the district*, the state shall pay each district 52 percent of the difference between the amount of the contract and the basic revenue of the district for that pupil for ~~the amount of time fraction of the school day the~~ pupil receives services under the contract. *For special instruction and services provided to any pupil by contracting for services with public, private, or voluntary agencies other than school districts, that are supplementary to a full educational program provided by the school district, the state shall pay each district 52 percent of the amount of the contract for that pupil.*

Sec. 15. Minnesota Statutes 1992, section 124.32, is amended by adding a subdivision to read:

Subd. 1f. [ESSENTIAL PERSONNEL.] For the purposes of this section

and section 124.321, essential personnel means teachers, related services and support services staff providing direct services to students.

Sec. 16. Minnesota Statutes 1992, section 124.32, is amended by adding a subdivision to read:

Subd. 12. [ALLOCATION FROM COOPERATIVE CENTERS AND INTERMEDIATE DISTRICTS.]

For purposes of this section, a special education cooperative or an intermediate district shall allocate its approved expenditures for special education programs among participating school districts. A cooperative or an intermediate district shall allocate its special education aid for fiscal year 1994 among participating school districts.

Sec. 17. Minnesota Statutes 1992, section 124.321, subdivision 1, is amended to read:

Subdivision 1. [LEVY EQUALIZATION REVENUE.] Special education levy equalization revenue for a school district, excluding an intermediate school district, equals the sum of the following amounts:

(1) ~~66~~ 68 percent of the salaries paid to essential personnel in that district minus the amount of state aid and any federal aid, if applicable, paid to that district for salaries of these essential personnel under section 124.32, subdivisions 1b and 10, for the year to which the levy is attributable, plus

(2) ~~66~~ 68 percent of the salaries paid to essential personnel in that district minus the amount of state aid and any federal aid, if applicable, paid to that district for salaries of those essential personnel under section 124.574, subdivision 2b, for the year to which the levy is attributable, plus

(3) ~~64~~ 68 percent of the salaries paid to limited English proficiency program teachers in that district minus the amount of state aid and any federal aid, if applicable, paid to that district for salaries of these teachers under section 124.273, subdivision 1b, for the year to which the levy is attributable, plus

(4) the alternative delivery levy revenue determined according to section ~~124.321~~ 124.322, subdivision 4, plus

(5) the amount allocated to the district by special education cooperatives or intermediate districts in which it participates according to subdivision 2.

A district that receives alternative delivery levy revenue according to section 124.322, subdivision 4, shall not receive levy equalization revenue under clause (1) or subdivision 2, clause (1), for the same fiscal year.

Sec. 18. Minnesota Statutes 1992, section 124.321, subdivision 2, is amended to read:

Subd. 2. [REVENUE ALLOCATION FROM COOPERATIVES AND INTERMEDIATE DISTRICTS.] (a) For purposes of this section, a special education cooperative or an intermediate district shall allocate to participating school districts the sum of the following amounts:

(1) ~~66~~ 68 percent of the salaries paid to essential personnel in that cooperative or intermediate district minus the amount of state aid and any federal aid, if applicable, paid to that cooperative or intermediate district for salaries of these essential personnel under section 124.32, subdivisions 1b and 10, for the year to which the levy is attributable, plus

(2) ~~66~~ 68 percent of the salaries paid to essential personnel in that district minus the amount of state aid and any federal aid, if applicable, paid to that district for salaries of those essential personnel under section 124.574, subdivision 2b, for the year to which the levy is attributable, plus

(3) ~~64~~ 68 percent of the salaries paid to limited English proficiency program teachers in that cooperative or intermediate district minus the amount of state aid and any federal aid, if applicable, paid to that cooperative or intermediate district for salaries of these teachers under section 124.273, subdivision 1b, for the year to which the levy is attributable.

(b) A special education cooperative or an intermediate district that allocates amounts to participating school districts under this subdivision must report the amounts allocated to the department of education.

(c) For purposes of this subdivision, the Minnesota state academy for the deaf or the Minnesota state academy for the blind each year shall allocate an amount equal to ~~66~~ 68 percent of salaries paid to instructional aides in either academy minus the amount of state aid and any federal aid, if applicable, paid to either academy for salaries of these instructional aides under sections 124.32, subdivisions 1b and 10, for the year to each school district that assigns a child with an individual education plan requiring an instructional aide to attend either academy. The school districts that assign a child who requires an instructional aide may make a levy in the amount of the costs allocated to them by either academy.

(d) When the Minnesota state academy for the deaf or the Minnesota state academy for the blind allocates unreimbursed portions of salaries of instructional aides among school districts that assign a child who requires an instructional aide, for purposes of the districts making a levy under this subdivision, the academy shall provide information to the department of education on the amount of unreimbursed costs of salaries it allocated to the school districts that assign a child who requires an instructional aide.

Sec. 19. Minnesota Statutes 1992, section 124.322, is amended by adding a subdivision to read:

Subd. 1a. [DEFINITIONS.] In this section, the definitions in this subdivision apply.

(a) "Base revenue" means the following:

(1) for the first fiscal year after approval of the district's application, base revenue means the sum of the district's revenue for the preceding fiscal year for its special education program under sections 124.32, subdivisions 1b, 1d, 2, 2b, 5, and 10, and 124.321, subdivision 1;

(2) for the second fiscal year after approval of a district's application, base revenue means the sum of the district's revenue for the second prior fiscal year for its special education program under sections 124.32, subdivisions 1b, 1d, 2, 2b, 5, and 10, and 124.321, subdivision 1; and

(3) for the third fiscal year after approval of a district's application, and thereafter, base revenue means the sum of the revenue a district would have been entitled to in the second prior fiscal year for its special education program under sections 124.32, subdivisions 1b, 1d, 2, 2b, 5, and 10, and 124.321, subdivision 1, based on activities defined as reimbursable under state board rules for special education and nonspecial education students,

and additional activities as detailed and approved by the commissioner of education.

(b) "Base aid" means the following:

(1) for the first fiscal year after approval of a district's application, base aid means the sum of the district's gross aid for the preceding fiscal year for its special education program under section 124.32, subdivisions 1b, 1d, 2, 2b, 5, and 10;

(2) for the second fiscal year after approval of a district's application, base aid means the sum of the district's gross aid for the second prior fiscal year for its special education program under section 124.32, subdivisions 1b, 1d, 2, 2b, 5, and 10; and

(3) for the third fiscal year after approval of a district's application and thereafter, base aid means the sum of the gross aid the district would have been entitled to in the second prior fiscal year for its special education program under section 124.32, subdivisions 1b, 1d, 2, 2b, 5, and 10, based on activities defined as reimbursable under state board of education rules for special education and nonspecial education students, and additional activities as detailed and approved by the commissioner of education in the application plan.

(c) Notwithstanding paragraphs (a) and (b), base revenue and base aid for 1995 and later fiscal years must not include revenue and aid under section 124.32, subdivision 5.

(d) "Alternative delivery revenue inflator" means:

(1) for the first fiscal year after approval of a district's application, the greater of 1.017 or the ratio of (i) the statewide average special education revenue under Minnesota Statutes, sections 124.32 and 124.321, per pupil in average daily membership for the current fiscal year, to (ii) the statewide average special education revenue per pupil in average daily membership for the previous fiscal year;

(2) for the second and later fiscal years, the greater of 1.034 or the ratio of (i) the statewide average special education revenue under Minnesota Statutes, sections 124.32 and 124.321, per pupil in average daily membership for the current fiscal year, to (ii) the statewide average special education revenue per pupil in average daily membership for the second prior fiscal year.

(e) The commissioner of education shall adjust each district's base revenue and base aid to reflect any changes in special education services or revenue required by rule or statute.

Sec. 20. Minnesota Statutes 1992, section 124.322, subdivision 2, is amended to read:

Subd. 2. [AMOUNT OF ALTERNATIVE DELIVERY REVENUE.] For the first fiscal year after approval of an application, a district shall receive the sum of the revenue it received for the preceding fiscal year for its special education program under section 124.32, subdivisions 1b, 2, 5, and 10; and Minnesota Statutes 1990, section 275.125, subdivision 8c, or section 124.321, subdivisions 1 and 2, as applicable; district's alternative delivery revenue equals its base revenue multiplied by 1.03 the product of the alternative delivery revenue inflator times the ratio of the district's average

daily membership for the current fiscal year to the district's average daily membership for the immediately preceding fiscal year. For each of the next two fiscal years, the district shall receive the amount it received for the previous fiscal year multiplied by 1.03. For the second and later fiscal years a district's alternative delivery revenue equals its base revenue multiplied by the product of the alternative delivery revenue inflator times the ratio of the district's average daily membership for the current fiscal year to the district's average daily membership for the second preceding fiscal year.

Sec. 21. Minnesota Statutes 1992, section 124.322, subdivision 3, is amended to read:

Subd. 3. [ALTERNATIVE DELIVERY AID.] For the first fiscal year after approval of an application, a district shall receive the sum of the aid it received for the preceding fiscal year under section 124.32, subdivisions 1b, 2, 5, and 10, district's alternative delivery aid equals its base aid multiplied by 1.03 the product of 1.017 times the ratio of the district's average daily membership for the current fiscal year to the district's average daily membership for the preceding fiscal year. For the second and later fiscal years a district's alternative delivery aid equals its base aid multiplied by the product of 1.034 times the ratio of the district's average daily membership for the current fiscal year to the district's average daily membership for the second preceding fiscal year. The aid for the first year of revenue shall not be prorated. For each of the next two fiscal years, the district shall receive the amount of aid it received for the previous fiscal year multiplied by 1.03. A district that receives aid under this subdivision shall not receive aid under section 124.32, subdivisions 1b, 1d, 2, 2b, 5, and 10, for the same fiscal year.

Sec. 22. Minnesota Statutes 1992, section 124.322, subdivision 4, is amended to read:

Subd. 4. [ALTERNATIVE DELIVERY LEVY REVENUE.] A district shall receive alternative delivery levy revenue equal to the difference between the alternative delivery revenue and the alternative delivery aid. If the alternative delivery aid for a district is prorated for the second or third fiscal years, the alternative delivery levy revenue shall be increased by the amount not paid by the state due to proration. For fiscal year 1993 and thereafter, The alternative delivery levy revenue shall be included under section 124.321, subdivision 1, for purposes of computing the special education levy under section 124.321, subdivision 3, and the special education levy equalization aid under section 124.321, subdivision 4.

Sec. 23. [124.323] [SPECIAL EDUCATION EXCESS COST AID.]

Subdivision 1. [DEFINITIONS.] In this section, the definitions in this subdivision apply.

(a) "Unreimbursed special education cost" means the sum of the following:

(1) expenditures for teachers' salaries, contracted services, supplies, and equipment eligible for revenue under sections 124.32, subdivisions 1b, 1d, 2, and 10, and 124.322, subdivision 2; plus

(2) expenditures for tuition bills received under section 120.17; minus

(3) revenue for teachers' salaries, contracted services, supplies, and

equipment under sections 124.32, subdivisions 1b, 1d, 2, and 10; 124.321, subdivision 1, clause (1); and 124.322, subdivision 2; minus

(4) tuition receipts under section 120.17.

(b) "general revenue" means the sum of the general education revenue according to section 124A.22, subdivision 1, plus the total referendum revenue according to section 124A.03, subdivision 1e.

Subdivision 2. [EXCESS COST AID.] For 1995 and later fiscal years, a district's special education excess cost aid equals the product of:

(1) 70 percent of the difference between (i) the district's unreimbursed special education cost per actual pupil unit and (ii) six percent of the district's general revenue per actual pupil unit, times

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

Sec. 24. Minnesota Statutes 1992, section 124A.036, subdivision 5, is amended to read:

Subd. 5. [ALTERNATIVE ATTENDANCE PROGRAMS.] The general education aid for districts must be adjusted for each pupil, excluding a pupil with a disability as defined in section 120.03 or a pupil without a disability as defined by section 120.181, attending a nonresident district under sections 120.062, 120.075, 120.0751, 120.0752, 124C.45 to 124C.48, and 126.22. The adjustments must be made according to this subdivision.

(a) General education aid paid to a resident district must be reduced by an amount equal to the general education revenue exclusive of compensatory revenue attributable to the pupil in the resident district.

(b) General education aid paid to a district serving a pupil in programs listed in this subdivision shall be increased by an amount equal to the general education revenue exclusive of compensatory revenue attributable to the pupil in the nonresident district.

(c) If the amount of the reduction to be made from the general education aid of the resident district is greater than the amount of general education aid otherwise due the district, the excess reduction must be made from other state aids due the district.

(d) The district of residence shall pay tuition to a district or an area learning center, operated according to paragraph (e), providing special instruction and services to a pupil with a disability, as defined in section 120.03, or a pupil, as defined in section 120.181, who is enrolled in a program listed in this subdivision. The tuition shall be equal to (1) the actual cost of providing special instruction and services to the pupil, including a proportionate amount for debt service and for capital expenditure facilities and equipment, and debt service but not including any amount for transportation, minus (2) the amount of general education aid, the amount of capital expenditure facilities aid and capital expenditure equipment aid received under section 124.245, subdivision 6, and special education aid, attributable to that pupil, that is received by the district providing special instruction and services.

(e) An area learning center operated by an educational cooperative service unit, intermediate district, education district, or a joint powers cooperative may elect through the action of the constituent boards to charge tuition for pupils rather than to calculate general education aid adjustments under

paragraph (a), (b), or (c). The tuition must be equal to the greater of the average general education revenue per pupil unit attributable to the pupil, or the actual cost of providing the instruction, excluding transportation costs, if the pupil meets the requirements of section 120.03 or 120.181.

Sec. 25. Minnesota Statutes 1992, section 124.573, subdivision 2b, is amended to read:

Subd. 2b. [SECONDARY VOCATIONAL AID.] A district's ~~or cooperative center's "secondary vocational aid"~~ for secondary vocational education programs ~~aid~~ for a fiscal year equals the ~~sum of the following amounts for each program~~ *lesser of:*

(a) the greater of zero, or 75 percent of the difference between:

(1) the salaries paid to essential, licensed personnel in that school year for services rendered in that program; and

(2) 50 percent of the general education revenue attributable to secondary pupils for the number of hours that the pupils are enrolled in that program; and \$80 times the district's average daily membership in grades 10 to 12; or

(b) 40 25 percent of approved expenditures for the following:

(1) *salaries paid to essential, licensed personnel providing direct instructional services to students in that fiscal year for services rendered in the district's approved secondary vocational education programs;*

(2) contracted services provided by a public or private agency other than a Minnesota school district or cooperative center under subdivision 3a;

(2) (3) necessary travel between instructional sites by licensed secondary vocational education personnel;

(3) (4) necessary travel by licensed secondary vocational education personnel for vocational student organization activities held within the state for instructional purposes;

(4) (5) curriculum development activities that are part of a five-year plan for improvement based on program assessment;

(5) (6) necessary travel by licensed secondary vocational education personnel for noncollegiate credit bearing professional development; and

(6) (7) specialized vocational instructional supplies.

Sec. 26. Minnesota Statutes 1992, section 124.573, is amended by adding a subdivision to read:

Subd. 2e. [ALLOCATION FROM COOPERATIVE CENTERS AND INTERMEDIATE DISTRICTS.] *For purposes of subdivision 2b, paragraph (b) and subdivision 2f, paragraph (b), a cooperative center or an intermediate district shall allocate its approved expenditures for secondary vocational education programs among participating school districts. For purposes of subdivision 2f, paragraph (a), a cooperative center or an intermediate district shall allocate its secondary vocational education aid for fiscal year 1994 among participating school districts.*

Sec. 27. Minnesota Statutes 1992, section 124.573, is amended by adding a subdivision to read:

Subd. 2f. [AID GUARANTEE.] Notwithstanding subdivision 2b, the secondary vocational education aid for a school district is not less than the lesser of:

(a) 95 percent of the secondary vocational education aid the district received for the previous fiscal year; or

(b) 40 percent of the approved expenditures for secondary vocational programs included in subdivision 2b, paragraph (b).

Sec. 28, Minnesota Statutes 1992, section 124.573, subdivision 3, is amended to read:

Subd. 3. [COMPLIANCE WITH RULES.] Aid shall be paid under this section only for services rendered or for costs incurred in secondary vocational education programs approved by the state department of education and operated in accordance with rules promulgated by the state board of education. These rules shall provide minimum student-staff ratios required for a secondary vocational education program in a cooperative center area to qualify for this aid. *The rules must not require the collection of data at the program or course level to calculate secondary vocational aid.* The rules shall not require any minimum number of administrative staff, any minimum period of coordination time or extended employment for secondary vocational education personnel, or the availability of vocational student activities or organizations for a secondary vocational education program to qualify for this aid. The requirement in these rules that program components be available for a minimum number of hours shall not be construed to prevent pupils from enrolling in secondary vocational education courses on an exploratory basis for less than a full school year. The state board of education shall not require a school district to offer more than four credits or 560 hours of vocational education course offerings in any school year. Rules relating to secondary vocational education programs shall not incorporate the provisions of the state plan for vocational education by reference. This aid shall be paid only for services rendered and for costs incurred by essential, licensed personnel who meet the work experience requirements for licensure pursuant to the rules of the state board of education. Licensed personnel means persons holding a valid secondary vocational license issued by the department of education, except that when an average of five or fewer secondary full-time equivalent students are enrolled per teacher in an approved post-secondary program at intermediate district No. 287, 916, or 917, licensed personnel means persons holding a valid vocational license issued by the department of education or the state board for vocational technical education. Notwithstanding section 124.15, the commissioner may modify or withdraw the program or aid approval and withhold aid under this section without proceeding under section 124.15 at any time. To do so, the commissioner must determine that the program does not comply with rules of the state board or that any facts concerning the program or its budget differ from the facts in the district's approved application.

Sec. 29, Minnesota Statutes 1992, section 124.574, subdivision 2b, is amended to read:

Subd. 2b. [SALARIES.] (a) Each year the state shall pay to any district or cooperative center a portion of the salary of each essential licensed person who provides direct instructional services to students, employed during that fiscal year for services rendered in that district or center's secondary vocational education programs for children with a disability.

(a) For fiscal year 1992, the portion for a full-time person shall be an amount not to exceed the lesser of 56.4 percent of the salary or \$15,700. The portion for a part-time or limited-time person shall be the lesser of 56.4 percent of the salary or the product of \$15,700 times the ratio of the person's actual employment to full-time employment.

(b) For fiscal year 1993 and thereafter, the portion for a full-time person is an amount not to exceed the lesser of 55.2 percent of the salary or \$15,320. The portion for a part-time or limited-time person is the lesser of 55.2 percent of the salary or the product of \$15,320 times the ratio of the person's actual employment to full-time employment.

Sec. 30. Minnesota Statutes 1992, section 128B.10, subdivision 1, is amended to read:

Subdivision 1. [EXTENSION.] This chapter is repealed July 1, ~~1993~~ 1995.

Sec. 31. [COST STUDY.]

The commissioner of education shall contract with an independent consultant outside of state or local government for a study of the short- and long-term fiscal impact to state and local governments of providing a comprehensive and coordinated system of services to infants and young children with disabilities, from birth to age two, and their families under United States Code, title 20, sections 1471 through 1485. The commissioner shall submit a report on the results of the study to the education committees of the legislature by January 15, 1994. At a minimum, the study shall include an estimate of the number of infants and young children from birth to age two eligible for services through the year 2000; the estimated average cost for services per eligible child and the child's family; the anticipated total additional annual cost to state and local governments through the year 2000 of fully implementing Year 5 services; the anticipated amount of additional federal early intervention funds available to the state under United States Code, title 20, section 1471 et. seq., and United States Code, title 20, section 631 et seq.; and an inventory of current expenditures by county boards, school boards, and other local services providers for services provided under section 120.17, subdivision 11b, including social work, nursing, nutrition, vision, and transportation services, assistive technology, parent-to-parent support, and respite care. The cost of the contract shall not exceed \$75,000 and shall be paid for from revenue received from federal grants for regular special education central administration and state initiated discretionary projects.

Sec. 32. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums indicated in this section are appropriated from the general fund or other named fund to the department of education for the fiscal years designated.

Subd. 2. [SPECIAL EDUCATION AID.] For special education aid according to Minnesota Statutes, section 124.32:

\$186,202,000 1994

\$188,194,000 1995

The 1994 appropriation includes \$25,087,000 for 1993 and \$161,115,000 for 1994.

The 1995 appropriation includes \$28,432,000 for 1994 and \$159,762,000 for 1995.

Subd. 3. [SPECIAL PUPIL AID.] For special education aid according to Minnesota Statutes, section 124.32, subdivision 6, for pupils with handicaps placed in residential facilities within the district boundaries for whom no district of residence can be determined:

\$318,000 1994

\$337,000 1995

If the appropriation for either year is insufficient, the appropriation for the other year is available. If the appropriations for both years are insufficient, the appropriation for special education aid may be used to meet the special pupil obligations.

Subd. 4. [SUMMER SPECIAL EDUCATION AID.] For special education summer program aid according to Minnesota Statutes, section 124.32, subdivision 10:

\$4,472,000 1994

\$4,530,000 1995

The 1994 appropriation is for 1993 summer programs.

The 1995 appropriation is for 1994 summer programs.

Subd. 5. [TRAVEL FOR HOME-BASED SERVICES.] For aid for teacher travel for home-based services according to Minnesota Statutes, section 124.32, subdivision 2b:

\$124,000 1994

\$159,000 1995

The 1994 appropriation includes \$10,000 for 1993 and \$114,000 for 1994.

The 1995 appropriation includes \$19,000 for 1994 and \$140,000 for 1995.

Subd. 6. [RESIDENTIAL FACILITIES AID.] For residential facilities aid under aid according to Minnesota Statutes, section 124.32, subdivision 5:

\$2,616,000 1994

\$, -0-, 1995

Subd. 7. [SPECIAL EDUCATION EXCESS COST AID.] For excess cost aid according to section 23:

\$, -0-, 1994

\$5,555,000 1995

The 1995 appropriation includes \$0 for 1994 and \$5,555,000 for 1995.

Subd. 8. [LIMITED ENGLISH PROFICIENCY PUPILS PROGRAM AID.] For aid to educational programs for pupils of limited English proficiency according to Minnesota Statutes, section 124.273:

\$5,529,000 1994

\$6,228,000 1995

The 1994 appropriation includes \$600,000 for 1993 and \$4,929,000 for 1994.

The 1995 appropriation includes \$870,000 for 1994 and \$5,358,000 for 1995.

\$106,000 in fiscal year 1994 and \$124,000 in fiscal year 1995 are for supplies and equipment for limited English proficiency instruction according to section 12.

Subd. 9. [AMERICAN INDIAN POST-SECONDARY PREPARATION GRANTS.] For American Indian post-secondary preparation grants according to Minnesota Statutes, section 124.481:

\$857,000 1994

\$857,000 1995.

Any balance in the first year does not cancel but is available in the second year.

Subd. 10. [AMERICAN INDIAN LANGUAGE AND CULTURE PROGRAMS.] For grants to American Indian language and culture education programs according to Minnesota Statutes, section 126.54, subdivision 1:

\$591,000 1994

\$591,000 1995

The 1994 appropriation includes \$88,000 for 1993 and \$503,000 for 1994.

The 1995 appropriation includes \$88,000 for 1994 and \$503,000 for 1995.

Any balance in the first year does not cancel but is available in the second year.

Subd. 11. [SECONDARY VOCATIONAL; STUDENTS WITH DISABILITIES.] For aid for secondary vocational education for pupils with disabilities according to Minnesota Statutes, section 124.574:

\$4,015,000 1994

\$3,933,000 1995

The 1994 appropriation includes \$684,000 for 1993 and \$3,331,000 for 1994.

The 1995 appropriation includes \$588,000 for 1994 and \$3,345,000 for 1995.

Subd. 12. [ASSURANCE OF MASTERY.] For assurance of mastery aid according to Minnesota Statutes, section 124.311:

\$12,949,000 1994

\$13,078,000 1995

The 1994 appropriation includes \$1,904,000 for 1993 and \$11,045,000 for 1994.

The 1995 appropriation includes \$1,948,000 for 1994 and \$11,130,000 for 1995.

Subd. 13. [INDIVIDUALIZED LEARNING AND DEVELOPMENT AID.] For individualized learning and development aid according to Minnesota Statutes, section 124.331:

\$2,485,000 1994

The 1994 appropriation includes \$2,485,000 for 1993.

Subd. 14. [SPECIAL PROGRAMS EQUALIZATION AID.] For special education levy equalization aid according to Minnesota Statutes, section 124.321:

\$14,210,000 1994

\$16,867,000 1995

The 1994 appropriation includes \$1,626,000 for 1993 and \$12,584,000 for 1994.

The 1995 appropriation includes \$2,221,000 for 1994 and \$14,646,000 for 1995.

Subd. 15. [AMERICAN INDIAN SCHOLARSHIPS.] For American Indian scholarships according to Minnesota Statutes, section 124.48:

\$1,600,000 1994

\$1,600,000 1995

Any unexpended balance remaining in the first year does not cancel but is available in the second year.

Subd. 16. [AMERICAN INDIAN EDUCATION.] (a) For certain American Indian education programs in school districts:

\$175,000 1994

\$175,000 1995

The 1994 appropriation includes \$26,000 for 1993 and \$149,000 for 1994.

The 1994 appropriation includes \$26,000 for 1994 and \$149,000 for 1995.

(b) These appropriations are available for expenditure with the approval of the commissioner of the department of education.

(c) The commissioner must not approve the payment of any amount to a school district or school under this subdivision unless that school district or school is in compliance with all applicable laws of this state.

(d) Up to the following amounts may be distributed to the following schools and school districts for each fiscal year: \$54,800 to Pine Point School; \$9,700 to independent school district No. 166; \$14,900 to independent school district No. 432; \$14,100 to independent school district No. 435; \$42,200 to independent school district No. 707; and \$39,100 to independent school district No. 38. These amounts must be spent only for the benefit of American Indian pupils and to meet established state educational standards or statewide requirements.

(e) Before a district or school can receive money under this subdivision, the district or school must submit, to the commissioner, evidence that it has

complied with the uniform financial accounting and reporting standards act, Minnesota Statutes, sections 121.90 to 121.917.

Subd. 17. [INDIAN TEACHER PREPARATION GRANTS.] *(a) For joint grants to assist Indian people to become teachers:*

\$190,000 1994

\$190,000 1995

(b) Up to \$70,000 each year is for a joint grant to the University of Minnesota at Duluth and the Duluth school district.

(c) Up to \$40,000 each year is for a joint grant to each of the following:

(1) Bemidji state university and the Red Lake school district;

(2) Moorhead state university and a school district located within the White Earth reservation; and

(3) Augsburg college and the Minneapolis school district.

(d) Money not used for students at one location may be transferred for use at another location.

(e) Any unexpended balance remaining the first year does not cancel but is available in the second year.

Subd. 18. [TRIBAL CONTRACT SCHOOLS.] *For tribal contract school aid according to Minnesota Statutes, section 124.86:*

\$506,000 1994

\$540,000 1995

The 1994 appropriation includes \$0 for 1993 and \$506,000 for 1994.

The 1995 appropriation includes \$89,000 for 1994 and \$451,000 for 1995.

Subd. 19. [EARLY CHILDHOOD PROGRAMS AT TRIBAL SCHOOLS.] *For early childhood family education programs at tribal contract schools:*

\$68,000 1994

\$68,000 1995

Subd. 20. [SECONDARY VOCATIONAL EDUCATION AID.] *For secondary vocational education aid according to Minnesota Statutes, section 124.573:*

\$12,079,000 1994

\$13,099,000 1995

The 1994 appropriation includes \$1,811,000 for 1993 and \$10,268,000 for 1994.

The 1995 appropriation includes \$1,811,000 for 1994 and \$11,288,000 for 1995.

Sec. 33. [REPEALER.]

Minnesota Statutes 1992, sections 124.32, subdivision 5; 124.331;

124.332; 124.333; and 124.573, subdivisions 2c and 2d, are repealed effective July 1, 1994.

Sec. 34. [EFFECTIVE DATE.]

Sections 10 and 24 are effective beginning with the 1992-1993 school year. Sections 25, 26, and 27 are effective July 1, 1994.

ARTICLE 4

COMMUNITY PROGRAMS

Section 1. Minnesota Statutes 1992, section 3.873, subdivision 4, is amended to read:

Subd. 4. [STAFF.] *The legislative coordinating commission shall supply the commission with the necessary staff, office space, and administrative services. The commission may use existing legislative staff to provide legal counsel, research, fiscal, secretarial, and clerical assistance.*

Sec. 2. Minnesota Statutes 1992, section 3.873, subdivision 5, is amended to read:

Subd. 5. [INFORMATION COLLECTION; INTERGOVERNMENTAL COORDINATION.] (a) *The commission may conduct public hearings and otherwise collect data and information necessary to its purposes.*

(b) *The commission may request information or assistance from any state agency or officer to assist the commission in performing its duties. The agency or officer shall promptly furnish any information or assistance requested.*

(c) *Before implementing new or substantially revised programs relating to the subjects being studied by the commission under subdivision 7, the commissioner responsible for the program shall prepare an implementation plan for the program and shall submit the plan to the commission for review and comment. The commission may advise and make recommendations to the commissioner on the implementation of the program and may request the changes or additions in the plan it deems appropriate.*

(d) *By July 1, 1991, the responsible state agency commissioners, including the commissioners of education, health, human services, jobs and training, and corrections, shall prepare data for presentation to the commission on the state programs to be examined by the commission under subdivision 7, paragraph (a).*

(e) *To facilitate coordination between executive and legislative authorities, the governor shall appoint a person to act as liaison between the commission and the governor shall meet with the children's cabinet, which includes the commissioners of the departments of education, health, transportation, human services, jobs and training, corrections, administration, public safety, finance, and housing finance, or their designees, and the director of the office of strategic and long-range planning, or the director's designee, to report on and recommend improvements in plans and initiatives affecting children, youth, and their families.*

Sec. 3. Minnesota Statutes 1992, section 3.873, subdivision 6, is amended to read:

Subd. 6. [LEGISLATIVE REPORTS AND RECOMMENDATIONS.] The commission shall make recommendations to the legislature to implement combining education, and health and human services and related support services provided to children and their families by the departments of education, human services, health and other state agencies into a single state department of children and families to provide more effective and efficient services. The commission also shall make recommendations to the legislature or committees, as it deems appropriate to assist the legislature in formulating legislation. To facilitate coordination between executive and legislative authorities, the commission shall review and evaluate the plans and proposals of the governor and state agencies on matters within the commission's jurisdiction and shall provide the legislature with its analysis and recommendations. ~~Any analysis and recommendations must integrate recommendations for the design of an education service delivery system under Laws 1991, chapter 265, article 6, section 64.~~ The commission shall report its final recommendations under this subdivision and subdivision 7, paragraph (a), by January 1, 1993 1994. The commission shall submit ~~a~~ *an annual progress report by January 1, 1992 of each year.*

Sec. 4. Minnesota Statutes 1992, section 3.873, subdivision 7, is amended to read:

Subd. 7. [PRIORITIES.] The commission shall give priority to studying and reporting to the legislature on the matters described in this subdivision. *To the extent possible, the commission shall consult with knowledgeable individuals in communities throughout the state when developing recommendations or preparing reports on these matters.*

(a) The commission must study and report on methods of improving legislative consideration of children and family issues and coordinating state agency programs relating to children and families, including the desirability, feasibility, and effects of creating a new state department of children's services, or children and family services, in which would be consolidated the responsibility for administering state programs relating to children and families.

(b) The commission must study and report on methods of consolidating or coordinating local health, correctional, educational, job, and human services, to improve the efficiency and effectiveness of services to children and families and to eliminate duplicative and overlapping services. The commission shall evaluate and make recommendations on programs and projects in this and other states that encourage or require local jurisdictions to consolidate the delivery of services in schools or other community centers to reduce the cost and improve the coverage and accessibility of services. *The commission shall consider and recommend how to transform fragmented, crisis-oriented delivery systems focused on remediation services into flexible, comprehensive, well-coordinated, and family-oriented delivery systems focused on prevention services. The commission shall review and evaluate what impact the classification of data has on service providers' ability to anticipate and meet the full range of families' needs. The commission shall report on any laws, rules, or procedures that interfere with the effective delivery of community-based services to children and families.*

(c) The commission must study and report on methods of improving and coordinating educational, social, and health care services that assist children and families during the early childhood years. The commission's study must

include an evaluation of the following: early childhood health and development screening services, headstart, child care, and early childhood family education, and parents' involvement in programs meeting the social, cognitive, physical, and emotional needs of children.

(d) The commission must study and report on methods of improving and coordinating the practices of judicial, correctional, and social service agencies in placing juvenile offenders and children who are in need of protective services or treatment.

(e) *The commission must study and recommend constructive changes in preventive, community-based programs that encourage children and youth to responsibly serve their community.*

Sec. 5. Minnesota Statutes 1992, section 3.873, subdivision 9, is amended to read:

Subd. 9. [EXPIRATION.] The commission expires on June 30, 1994 1995.

Sec. 6. Minnesota Statutes 1992, section 121.831, is amended to read:

121.831 [LEARNING READINESS PROGRAMS.]

Subdivision 1. [ESTABLISHMENT; PURPOSE.] A district or a group of districts may establish a learning readiness program for eligible children. *The purpose of a learning readiness program is to provide all eligible children adequate opportunities to participate in child development programs that enable the children to enter school with the necessary skills and behavior and family stability and support to progress and flourish.*

Subd. 2. [CHILD ELIGIBILITY.] (a) A child is eligible to participate in a learning readiness program offered by the resident district or another district if the child is:

(1) at least ~~four~~ *three and one-half* years old but has not entered kindergarten; and

(2) ~~has participated or will participate in an early childhood receives developmental screening program according to under section 123.702 within 90 days of enrolling in the program or the child's fourth birthday.~~

(b) *A child younger than three and one-half years old may participate in a learning readiness program if the district or group of districts that establishes the program determines that the program can more effectively accomplish its purpose by including children younger than three and one-half years old.*

~~A child may participate in a program provided by the district in which the child resides or by any other district.~~

Subd. 2a. [PROGRAM OUTCOMES.] (a) A learning readiness program must adopt outcomes which include but are not limited to:

(1) *an increase in the proportion of children who exhibit age-appropriate language, development, general knowledge, and social behavior at the time they enter school;*

(2) *an increase in linkages to existing services in the community;*

(3) *an increase in collaboration among education, social, and health service providers;*

- (4) an increase in parental knowledge of child development and parenting;
- (5) an increase in the proportion of children who have received appropriate and timely completion of immunizations and regular well-child exams; and
- (6) a decrease in the proportion of children with previously undetected vision, hearing, and developmental problems at the time of kindergarten entry.

(b) A learning readiness program must regularly assess its progress toward achieving the outcomes adopted in paragraph (a) and modify the comprehensive plan based on the results of the assessment.

Subd. 3. [PROGRAM ELIGIBILITY.] A learning readiness program shall include the following:

(1) a comprehensive plan to ~~coordinate~~ *meet the needs of participating families by coordinating existing social services to provide for the needs of participating families programs and for by fostering collaboration with among agencies or other community-based organizations providing and programs that provide a full range of flexible, family-focused services to families with young children;*

(2) a development and learning component to help a ~~child~~ *children develop socially, intellectually, physically appropriate social, cognitive, and physical skills, and emotionally in a manner appropriate to the child emotional well-being;*

(3) health referral services to address ~~the children's~~ *medical, dental, mental health, and nutritional needs of the children;*

(4) a nutrition component to meet ~~the children's~~ *daily nutritional needs of the children; and*

(5) ~~parents' involvement of parents in the educational meeting children's educational, health, social service, and other needs of the children;~~

(6) ~~community outreach to ensure participation by families who represent the racial, cultural, and economic diversity of the community; and~~

(7) ~~community-based staff and program resources, including interpreters, that reflect the racial and ethnic characteristics of the children participating in the program.~~

Subd. 4. [PROGRAM CHARACTERISTICS.] Learning readiness programs ~~may include the following~~ *are encouraged to:*

(1) ~~prepare an individualized service plan to meet the individual needs of each child~~ *child's developmental and learning needs;*

(2) ~~participation by families who are representative of the racial, cultural, and economic diversity of the community;~~

(3) ~~provide parent education to increase parents' knowledge, understanding, skills, and experience in child development and learning;~~

(4) (3) ~~foster substantial parent involvement; that may include developing having parents develop curriculum or serving serve as a paid or volunteer educator, resource person, or other staff;~~

(5) (4) ~~identification of~~ identify the needs of families with respect to in the content of the child's learning readiness;

(6) (5) ~~a plan to expand collaboration with public organizations, businesses, nonprofit organizations, or other private organizations to promote the development of develop a coordinated system of flexible, family-focused services available to anticipate and meet the full range of needs of all eligible children and their families with eligible children;~~

(7) (6) ~~coordination of~~ coordinate treatment and follow-up services for all children's identified physical and mental health problems;

(8) ~~staff and program resources, including interpreters, that reflect the racial and ethnic population of the children in the program;~~

(9) (7) ~~offer transportation for eligible children and their parents families for whom other forms of transportation are not available unavailable or would constitute an excessive financial burden; and~~

(10) (8) ~~make substantial outreach efforts to assure significant participation by families with the greatest needs-, including those families whose income level does not exceed the most recent update of the poverty guidelines required by sections 652 and 673(2) of the Omnibus Budget Reconciliation Act of 1981 (Public Law Number 97-35);~~

(9) ~~use community-based, trained home visitors serving as paraprofessionals to provide social support, referrals, parent education, and other services;~~

(10) ~~create community-based family resource centers and interdisciplinary teams;~~

(11) ~~enhance the quality of family or center-based child care programs by providing supplementary services and resources, staff training, and assistance with children with special needs; and~~

(12) ~~family literacy programming incorporating parenting education, adult basic skills instruction, and parent/child interaction with developmentally appropriate activities for children.~~

Subd. 5. [PURCHASE OR CONTRACT FOR SERVICES.] ~~Whenever possible, A district may be encouraged to contract with a public organization or nonprofit organization providing to provide eligible children developmentally appropriate services meeting one or more of that meet the program requirements in subdivision 3, clauses (1) to (4). In the alternative, a district may also pay tuition or fees to place an eligible child in an existing program or. A district may establish a new program where no existing, reasonably accessible program meets the program requirements in subdivision 3. Services may be provided in a site-based program or in the home of the child or a combination of both. The district may not limit restrict participation to district residents of the district.~~

Subd. 6. [COORDINATION WITH OTHER PROVIDERS.] (a) The district shall ~~optimize coordination of~~ coordinate the learning readiness program with existing ~~service~~ community-based social services providers located in the community and foster collaboration among agencies and other community-based organizations and programs that provide flexible, family-focused services to families with children. The district shall actively encourage greater sharing of responsibility and accountability among service providers and facilitate children's transition between programs.

(b) To the extent possible, resources shall follow the children ~~based on the services needed,~~ so that children ~~have receive appropriate services in a stable environment and are not moved from one program location to program another.~~ *Where geographically feasible, the district shall actively promote colocation of services for children and their families.*

Subd. 7. [ADVISORY COUNCIL.] Each learning readiness program shall have an advisory council ~~which composed of members of existing early education-related boards, parents of participating children, child care providers, culturally specific service organizations, local resource and referral agencies, and representatives of early childhood service providers.~~ *The council shall advise the school board in creating and administering the program and shall monitor the progress of the program. The council shall ensure that children at greatest risk receive appropriate services. If the school board is unable to appoint to the advisory council members of existing early education-related boards, it shall:*

(1) ~~appoint parents of children enrolled in the program who represent the racial, cultural, and economic diversity of the district and representatives of early childhood service providers as representatives to an existing advisory council; or~~

(2) ~~appoint a joint council made up of members of existing boards, parents of participating children, and representatives of early childhood service providers.~~

Subd. 8. [PRIORITY CHILDREN.] The district shall give ~~high~~ *greatest* priority to providing services to eligible children identified, through a means such as the early childhood screening process, as being developmentally disadvantaged or experiencing risk factors that could impede their learning readiness.

Subd. 9. [CHILD RECORDS.] A record of a child's progress and development shall be maintained in the child's cumulative record while enrolled in the learning readiness program. The cumulative record shall be used for the purpose of planning activities to suit individual needs and shall become part of the child's permanent record.

Subd. 10. [SUPERVISION.] A program provided by a school board shall be supervised by a licensed early childhood teacher or a ~~certified early childhood educator~~ *parent educator*. A program provided according to a contract between a school district and a nonprofit organization or another private organization shall be supervised *and staffed* according to the terms of the contract.

Subd. 11. [DISTRICT STANDARDS.] The school board of the district shall develop standards for the learning readiness program *that reflect the eligibility criteria in subdivision 3. The board shall consider including in the standards the program characteristics in subdivision 4.*

Subd. 12. [PROGRAM FEES.] A district may adopt a sliding fee schedule based on a family's income but shall waive a fee for a participant unable to pay. The fees charged must be designed to enable eligible children of all socioeconomic levels to participate in the program.

Subd. 13. [ADDITIONAL REVENUE.] A district or an organization contracting with a district may receive money or in-kind services from a public or private organization.

Sec. 7. [121.835] [FAMILY SERVICES COLLABORATIVES.]

Subdivision 1. [ESTABLISHMENT.] In order to qualify as a family services collaborative, a minimum of one school district, one county, and one public health entity must enter into an agreement to provide coordinated family services and to commit resources to an integrated fund. Collaboratives are expected to have broad community representation, which may include other local providers, including additional school districts, counties, and public health entities, other municipalities, local health organizations, private and nonprofit service providers, child care providers, local foundations, community-based service groups, businesses, local transit authorities or other transportation providers, community action agencies under section 268.53, senior citizen volunteer organizations, and churches which provide nonsectarian services.

Subd. 2. [DUTIES.] Each family services collaborative shall:

(1) design and implement an integrated local service delivery system for young children and their families which coordinates services across agencies and is client centered. The delivery system shall provide a continuum of services for children through the age of 18, but the greatest emphasis shall be placed on support for pregnant women and for children from birth to age six;

(2) encourage coordination through colocation of services, shared staff, and integrated data processing systems;

(3) identify a service delivery area;

(4) identify federal, state, and local institutional barriers to coordination of services and suggest ways to remove these barriers;

(5) establish an integrated fund from federal, state, local, and private sources to provide integrated and supplemental services;

(6) seek to maximize federal and private funds by designating local expenditures for services that can be matched with federal or private grant dollars and by designing services to meet the requirements for state and federal reimbursement;

(7) negotiate contracts with state agencies and other funding sources to receive additional funds to help meet the goals of the local family services collaborative;

(8) establish management and information systems to ensure fiscal accountability; and

(9) develop outcomes and assessments to measure the effectiveness of the services provided by the family services collaborative.

The measures in clause (9) must include, but are not limited to, the numbers of low birthweight babies, the infant mortality rate, the number of children who are adequately immunized and healthy, the number of young children requiring out-of-home placement, the number of children requiring long-term special education services, and the number of minor parents.

Subd. 3. [INTEGRATED LOCAL SERVICE DELIVERY SYSTEM.] A family services collaborative shall design an integrated local service delivery system that coordinates services between existing agencies and funding streams. The local service delivery system must include an extensive home-

visit component. The integrated local service delivery system must provide for:

(1) improved outreach, early identification, and intervention across systems;

(2) a system of inclusion to provide access for support to all families within a community;

(3) coordinated services that eliminate the need to match clients with multiple providers, funding streams, and provider eligibilities;

(4) improved access to services through coordinated transportation services;

(5) initial outreach to all new mothers and ongoing visits to the homes of children who are potentially at risk;

(6) coordinated assessment across systems that determines which children and families need multiagency service coordination and supplemental services;

(7) multiagency service plans and unitary case management coordination; and

(8) integrated funding.

Subd. 4. [INTEGRATED FUND.] A family services collaborative must establish an integrated fund to help provide an integrated service system and to fund additional supplemental services. The integrated fund may consist of federal, state, local, and private resources. The family services collaborative agreement must specify a minimum financial commitment by the participants to an integrated fund. Participants may not reduce their financial commitment except as specified in the agreement.

Sec. 8. [121.836] [IMPLEMENTATION.]

Subdivision 1. [CHILDREN'S CABINET.] The children's cabinet shall consist of the commissioners of education, human services, jobs and training, public safety, corrections, finance, health, administration, housing finance agency, transportation, and the director of the office of strategic and long-range planning or designee. The governor shall designate one member to serve as chair. The chair is responsible for ensuring that the duties of the children's cabinet are carried out.

Subd. 2. [FUNDING AND POLICY COORDINATION STUDY.] The legislative commission on children, youth, and their families and the children's cabinet must study and make joint recommendations regarding a state-level governance structure to deliver funding and coordinate policy for children and their families. These recommendations may include structural changes to minimize barriers to collaboration and integration of services for children and families at the local level. The commission and cabinet must jointly evaluate the need for a new cabinet-level agency for children. The commission and cabinet shall report their findings and recommendations back to the legislature by January 15, 1994.

Subd. 3. [APPLICATIONS FOR PLANNING GRANTS FOR FAMILY SERVICES COLLABORATIVES.] By August 1, 1993, the children's cabinet shall publish the procedures for awarding planning grants. Applications for

local family services collaboratives shall be obtained through the commissioner of education, human services, or health and must be submitted to the children's cabinet. The application must provide the amount of the planning grant requested by the family services collaborative and how the collaborative will use these funds.

Subd. 4. [DISTRIBUTION OF PLANNING GRANTS.] By February 1, 1994, the children's cabinet must ensure the distribution of the appropriation of planning grants to family services collaboratives that meet the requirements under section 7 and which have been approved by the children's cabinet. The funds must be geographically distributed across the state and balanced between the seven-county metropolitan area and the rest of the state. No more than 2.5 percent of the appropriation is available to the state to administer the grant program. An applicant receiving a grant in fiscal year 1994 may use the grant money in fiscal year 1994 and may carry forward any unencumbered money into fiscal year 1995 or 1996. An applicant receiving a grant in fiscal year 1995 may use the grant money in fiscal year 1995 and may carry forward any unencumbered money into fiscal year 1996.

Subd. 5. [FAMILY SERVICES COLLABORATIVE IMPLEMENTATION GRANTS.] To apply for a family services collaborative implementation grant, a family services collaborative must submit a plan to the children's cabinet by either December 1, 1993, or December 1, 1994. The plan must meet the requirements under subdivision 5 and specify the amount of the implementation grant requested and how the funds will be used. The implementation grant money must be spent solely for direct services except that up to 2.5 percent may be used for evaluation. Up to one-half of the appropriation available for family services collaborative implementation grants may be awarded to family services collaboratives with approved plans received by December 1, 1993. The remaining appropriation is available for grants to family services collaboratives with plans received by December 1, 1994. The children's cabinet shall review a proposal and notify the family services collaborative as to whether or not a plan has been approved within 60 days of receiving a plan. No more than 2.5 percent of the appropriation is available to the state to administer the grant program. An applicant receiving a grant in fiscal year 1994 may use the grant money in fiscal year 1994 and may carry forward any unencumbered money into fiscal year 1995 or 1996. An applicant receiving a grant in fiscal year 1995 may use the grant money in fiscal year 1995 and may carry forward any unencumbered money into fiscal year 1996.

Subd. 6. [LOCAL PLANS.] The family services collaborative plan shall describe how the family services collaborative will carry out the duties and implement the integrated local services delivery system required under section 8. The plan shall include a list of the participants in the collaborative, a copy of the agreement required under section 8, subdivision 1, the amount and source of resources each participant will commit to the integrated fund, methods for increasing local participation in the collaborative, methods for involving parents and other members of the community in the implementation and operation of the collaborative, and methods for providing effective outreach services to all families with young children in the community. The plan shall also include specific goals that the collaborative intends to achieve and methods for objectively measuring progress toward meeting the goals.

Subd. 7. [PLAN APPROVAL BY THE CHILDREN'S CABINET.] (a) The children's cabinet shall approve local plans for family services collaboratives.

In approving local plans, the children's cabinet shall give highest priority to a plan which provides for:

- (1) early intervention and family outreach;*
- (2) home visitation services;*
- (3) a continuum of services for children from birth to age 18;*
- (4) family preservation services;*
- (5) culturally aware service delivery approaches and utilization of culturally specific organizations;*
- (6) clearly defined outcomes and methods of assessment;*
- (7) effective service coordination;*
- (8) maximum inclusion of jurisdictions and various local, county, and state funding sources;*
- (9) maximum integration of existing community service providers and local resources;*
- (10) integration of transportation services;*
- (11) integration of housing services; and*
- (12) coordination with other local services collaboratives authorized by law.*

(b) The children's cabinet shall ensure that the family services collaboratives established are not in contradiction with any state or federal policy or program and that they are not implemented in such a manner as to have negative impact on the state budget.

Subd. 8. [REPORTS BY FAMILY SERVICES COLLABORATIVES.] *Family services collaboratives receiving family services collaborative implementation grants must submit a report to the children's cabinet. The report shall include a description of the progress made by the family services collaborative toward implementing the local plan, the use of funds received through a family services collaborative implementation grant, the number and type of clients served, and the types of services provided. The report shall be submitted to the children's cabinet by December 31, 1994, by family services collaboratives whose local plan was approved no later than February 1, 1994, and by December 31, 1995, for those family services collaboratives whose local plan was approved no later than February 1, 1995. Within two years of the date on which a family services collaborative received a family services collaborative implementation grant, a family services collaborative shall submit a report to the children's cabinet describing the results of assessments measuring the extent to which the family services collaborative has achieved the outcomes developed under section 8, subdivision 2, clause (7).*

Subd. 9. [RECEIPT OF FUNDS.] *The office of strategic and long-range planning may receive and administer public and private funds for the purposes of this act.*

Sec. 9. [121.837] [FEDERAL REVENUE ENHANCEMENT.]

Subdivision 1. [DUTIES OF THE COMMISSIONER OF HUMAN SERVICES.] *The commissioner of human services may enter into an agreement*

with one or more family services collaboratives to enhance federal reimbursement under Title IV-E of the Social Security Act and federal administrative reimbursement under Title XIX of the Social Security Act. The commissioner shall have the following authority and responsibilities regarding family services collaboratives:

(1) the commissioner shall submit amendments to state plans and seek waivers as necessary to implement the provisions of this section;

(2) the commissioner shall pay the federal reimbursement earned under this subdivision to each collaborative based on their earnings. Notwithstanding section 256.025, subdivision 2, payments to collaboratives for expenditures under this subdivision will only be made of federal earnings from services provided by the collaborative;

(3) the commissioner shall review expenditures of family services collaboratives using reports specified in the agreement with the collaborative to ensure that the base level of expenditures is continued and new federal reimbursement is used to expand education, social, health, or health-related services to young children and their families;

(4) the commissioner may reduce, suspend, or eliminate a family services collaborative's obligations to continue the base level of expenditures or expansion of services if the commissioner determines that one or more of the following conditions apply:

(i) imposition of levy limits that significantly reduce available funds for social, health, or health-related services to families and children;

(ii) reduction in the net tax capacity of the taxable property eligible to be taxed by the lead county or subcontractor that significantly reduces available funds for education, social, health, or health-related services to families and children;

(iii) reduction in the number of children under age 19 in the county, collaborative service delivery area, subcontractor's district, or catchment area when compared to the number in the base year using the most recent data provided by the state demographer's office; or

(iv) termination of the federal revenue earned under the family services collaborative agreement;

(5) the commissioner shall not use the federal reimbursement earned under this subdivision in determining the allocation or distribution of other funds to counties or collaboratives;

(6) the commissioner may suspend, reduce, or terminate the federal reimbursement to a provider that does not meet the reporting or other requirements of this subdivision;

(7) the commissioner shall recover from the family services collaborative any federal fiscal disallowances or sanctions for audit exceptions directly attributable to the family services collaborative's actions in the integrated fund, or the proportional share if federal fiscal disallowances or sanctions are based on a statewide random sample; and

(8) the commissioner shall establish criteria for the family services collaborative for the accounting and financial management system that will support claims for federal reimbursement.

Subd. 2. [FAMILY SERVICES COLLABORATIVE RESPONSIBILITIES.] The family services collaborative shall have the following authority and responsibilities regarding federal revenue enhancement:

(1) the family services collaborative shall be the party with which the commissioner contracts. A lead county shall be designated as the fiscal agency for reporting, claiming, and receiving payments;

(2) the family services collaboratives may enter into subcontracts with other counties, school districts, special education cooperatives, municipalities, and other public and nonprofit entities for purposes of identifying and claiming eligible expenditures to enhance federal reimbursement, or to expand education, social, health, or health-related services to families and children;

(3) the family services collaborative must continue the base level of expenditures for education, social, health, or health-related services to families and children from any state, county, federal, or other public or private funding source which, in the absence of the new federal reimbursement earned under this subdivision, would have been available for those services, except as provided in subdivision 1, clause (4). The base year for purposes of this subdivision shall be the four-quarter calendar year ending at least two calendar quarters before the first calendar quarter in which the new federal reimbursement is earned;

(4) the family services collaborative must use all new federal reimbursement resulting from federal revenue enhancement to expand expenditures for education, social, health, or health-related services to families and children beyond the base level, except as provided in subdivision 1, clause (4);

(5) the family services collaborative must ensure that expenditures submitted for federal reimbursement are not made from federal funds or funds used to match other federal funds. Notwithstanding section 256B.19, subdivision 1, for the purposes of family services collaborative expenditures under agreement with the department, the nonfederal share of costs shall be provided by the family services collaborative from sources other than federal funds or funds used to match other federal funds;

(6) the family services collaborative must develop and maintain an accounting and financial management system adequate to support all claims for federal reimbursement, including a clear audit trail and any provisions specified in the agreement; and

(7) the family services collaborative shall submit an annual report to the commissioner as specified in the agreement.

Subd. 3. [AGREEMENTS WITH FAMILY SERVICES COLLABORATIVES.] At a minimum, the agreement between the commissioner and the family services collaborative shall include the following provisions:

(1) specific documentation of the expenditures eligible for federal reimbursement;

(2) the process for developing and submitting claims to the commissioner;

(3) specific identification of the education, social, health, or health-related services to families and children which are to be expanded with the federal reimbursement;

(4) reporting and review procedures ensuring that the family services collaborative must continue the base level of expenditures for the education, social, health, or health-related services for families and children as specified in subdivision 2, clause (3);

(5) reporting and review procedures to ensure that federal revenue earned under this section is spent specifically to expand education, social, health, or health-related services for families and children as specified in subdivision 2, clause (4);

(6) the period of time, not to exceed three years, governing the terms of the agreement and provisions for amendments to, and renewal of the agreement; and

(7) an annual report prepared by the family services collaborative.

Sec. 10. [121.838] [WAIVER OF RULES.]

(a) A family services collaborative, or any other local collaborative entity, including those in Becker, Cass, and Ramsey counties, is encouraged to seek a waiver from any state or federal rule that impedes the implementation or effectiveness of the services provided by the collaborative. If the board or commissioner who adopted the state rule from which a waiver is requested approves a request for a waiver, it shall notify the family services collaborative and the children's cabinet of the approval. If the request for a waiver is denied, the board or commissioner who adopted the rule shall notify the family services collaborative, the children's cabinet, and the appropriate policy committees of the legislature of the reason for denying the waiver.

(b) A family services collaborative seeking a waiver from a federal rule shall submit a request, in writing, to the appropriate policy committees of the legislature and the children's cabinet. If the legislative committees approve the request, they shall direct the appropriate state agency to make a reasonable effort to negotiate a waiver of the federal rule. If the legislative committees deny the request for a waiver, they shall jointly notify the family services collaborative and the children's cabinet of the reason for denying the waiver.

Sec. 11. Minnesota Statutes 1992, section 123.702, subdivision 1, is amended to read:

Subdivision 1. Every school board shall provide for a mandatory program of early childhood developmental screening for children who are four years old and older but who have not entered kindergarten or first grade in a public school once before school entrance, targeting children who are between 3-1/2 and 4 years old. This screening program shall be established either by one board, by two or more boards acting in cooperation, by educational cooperative service units, by early childhood family education programs, or by other existing programs. This screening examination is a mandatory requirement for a student to continue attending kindergarten or first grade in a public school. A child need not submit to developmental screening provided by a school board if the child's health records indicate to the school board that the child has received comparable developmental screening from a public or private health care organization or individual health care provider. The school districts are encouraged to reduce the costs of preschool developmental screening programs by utilizing volunteers in implementing the program.

Sec. 12. Minnesota Statutes 1992, section 123.702, subdivision 1a, is amended to read:

Subd. 1a. A child must not be enrolled in kindergarten ~~or first grade~~ in a public school unless the parent or guardian of the child submits to the school principal or other person having general control and supervision of the school a record indicating the months and year the child received developmental screening and the results of the screening not later than 30 days after the first day of attendance. If a child is transferred from one kindergarten to another ~~or from one first grade to another~~, the parent or guardian of the child must be allowed 30 days to submit the child's record, during which time the child may attend school.

Sec. 13. Minnesota Statutes 1992, section 123.702, subdivision 3, is amended to read:

Subd. 3. The school board shall inform each resident family with a child eligible to participate in the developmental screening program about the availability of the program and the state's requirement that a child receive developmental screening not later than 30 days after the first day of attending kindergarten ~~or first grade~~ in a public school.

Sec. 14. Minnesota Statutes 1992, section 123.702, subdivision 5, is amended to read:

Subd. 5. Every school board shall integrate and utilize volunteer screening programs in implementing sections 123.702 to ~~123.705~~ 123.7045 wherever possible.

Sec. 15. Minnesota Statutes 1992, section 123.7045, is amended to read:

123.7045 [DEVELOPMENTAL SCREENING AID.]

Each school year, the state shall pay a school district \$25 for each child screened according to the requirements of section 123.702. *If this amount of aid is insufficient, the district may permanently transfer from the general fund an amount that, when added to the aid, is sufficient.*

Sec. 16. Minnesota Statutes 1992, section 124.26, subdivision 2, is amended to read:

Subd. 2. Each district or group of districts providing adult basic education programs shall establish and maintain accounts separate from all other district accounts for the receipt and disbursement of all funds related to these programs. All aid received pursuant to this section shall be utilized solely for the purposes of adult basic education programs. In no case shall federal and state aid equal more than ~~90~~ 100 percent of the actual cost of providing these programs.

Sec. 17. Minnesota Statutes 1992, section 124.2601, subdivision 4, is amended to read:

Subd. 4. [LEVY.] A district with an eligible program may levy an amount not to exceed the amount raised by ~~.24~~ .085 percent times the adjusted tax capacity of the district for the preceding year.

Sec. 18. Minnesota Statutes 1992, section 124.2601, subdivision 6, is amended to read:

Subd. 6. [AID GUARANTEE.] (a) *For fiscal year 1994*, any adult basic education program that receives less state aid under subdivisions 3 and 7 than

from the aid formula for fiscal year 1992 shall receive the amount of aid it received in fiscal year 1992.

(b) For 1995 and later fiscal years, any adult basic education program that receives less revenue under subdivisions 3, 4, and 7 than it received under section 124.2601, subdivisions 3, 4, and 7, for fiscal year 1994, shall receive additional aid equal to the amount of revenue that would have been raised for taxes payable in 1994 under section 124.2601, subdivision 4, minus the amount raised under subdivision 4.

Sec. 19. Minnesota Statutes 1992, section 124.2615, subdivision 2, is amended to read:

Subd. 2. [AMOUNT OF AID.] A district is eligible to receive learning readiness aid if the program plan as required by subdivision 1 has been approved by the commissioner of education. ~~The~~ For fiscal year 1994, the aid is equal to:

(1) ~~\$200 for fiscal year 1992 and \$300 for fiscal year 1993~~ 135 times the number of eligible four-year old children residing in the district, as determined according to section 124.2711, subdivision 2; plus

(2) ~~\$100 for fiscal year 1992 and \$300 for fiscal year 1993~~ 100 times the result of;

(3) the ratio of the number of pupils enrolled in the school district from families eligible for the free or reduced school lunch program to the total number of pupils enrolled in the school district; times

(4) the number of children in clause (1).

For fiscal year 1994 1995 and thereafter, a district shall receive learning readiness aid equal to:

(1) 120 times the number of eligible four-year old children residing in the district, as determined according to section 124.2711, subdivision 2; plus

(2) 100 times the result of;

(3) the ratio of the number of pupils enrolled in the school district from families eligible for the free or reduced school lunch program to the total number of pupils enrolled in the school district; times

(4) the number of children in clause (1); plus

~~(1) \$500~~ 50 times the number of all ~~participating~~ eligible children; plus participating 20 hours or more in any activity funded under this section.

~~(2) \$200 times the number of participating eligible children identified according to section 124.831, subdivision 8.~~

Sec. 20. Minnesota Statutes 1992, section 124.2615, subdivision 3, is amended to read:

Subd. 3. [USE OF AID.] Learning readiness aid shall be used only to provide a learning readiness program, or equivalent program approved by the commissioner, and may be used to provide transportation. Not more than five percent of the aid may be used for the cost of administering the program. Aid must be used to supplement and not supplant local, state, and federal funding. Aid may not be used for instruction and services required under section

120.17. Aid may not be used to purchase land or construct buildings, but may be used to lease or renovate existing buildings.

Sec. 21. Minnesota Statutes 1992, section 124.2711, subdivision 1, is amended to read:

Subdivision 1. [REVENUE.] The revenue for early childhood family education programs for a school district is the amount of revenue earned by multiplying \$96.50 for fiscal year 1992 or equals \$101.25 for fiscal year 1993 and later fiscal years times the greater of:

(1) 150; or

(2) the number of people under five years of age residing in the school district on September 1 of the last previous school year.

Sec. 22. Minnesota Statutes 1992, section 124.2711, subdivision 2a, is amended to read:

Subd. 2a. [EARLY CHILDHOOD FAMILY EDUCATION LEVY.] To obtain early childhood family education revenue, a district may levy an amount equal to the tax rate of ~~596~~ .613 percent times the adjusted tax capacity of the district for the year preceding the year the levy is certified. If the amount of the early childhood family education levy would exceed the early childhood family education revenue, the early childhood family education levy shall equal the early childhood family education revenue.

Sec. 23. Minnesota Statutes 1992, section 124.2711, is amended by adding a subdivision to read:

Subd. 5. [RESERVE ACCOUNT.] *Early childhood family education revenue must be maintained in a reserved account within the community service fund.*

Sec. 24. Minnesota Statutes 1992, section 124.2711, is amended by adding a subdivision to read:

Subd. 6. [HOME VISITING LEVY.] *A school district that enters into a collaborative agreement to provide education services and social services to families with young children may levy an amount equal to \$1.60 times the number of people under five years of age residing in the district on September 1 of the last school year. Levy revenue under this subdivision shall not be included as revenue under subdivision 1. the revenue shall be used for home visiting programs under section 121.882, subdivision 2b.*

Sec. 25. [124.2712] [REDUCTION TO EARLY CHILDHOOD FAMILY EDUCATION REVENUE.]

Subdivision 1. [REVENUE REDUCTION.] *A school district's early childhood family education revenue under section 124.2711 must be reduced if the community service fund balance reserved for early childhood family education as of June 30 in the last school year exceeds 200 percent of the district's early childhood family education revenue for the current school year.*

The amount of the reduction equals the lesser of:

(1) *the amount of the excess; or*

(2) *the amount of the district's early childhood family education revenue for the current school year.*

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

- (1) the reduction specified in subdivision 1; times*
- (2) the lesser of one or the ratio of the district's early childhood family education levy to its early childhood family education revenue.*

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

Sec. 26. Minnesota Statutes 1992, section 124.2713, subdivision 6, is amended to read:

Subd. 6. [COMMUNITY EDUCATION LEVY.] To obtain community education revenue, a district may levy the amount raised by a tax rate of ~~1.07 percent for fiscal year 1992 and 1.095~~ 1.12 percent for fiscal year 1993 1995 and thereafter, times the adjusted net tax capacity of the district. If the amount of the community education levy would exceed the community education revenue, the community education levy shall ~~equal the community education revenue~~ be determined according to subdivision 6a.

Sec. 27. Minnesota Statutes 1992, section 124.2713, is amended by adding a subdivision to read:

Subd. 6a. [COMMUNITY EDUCATION LEVY; DISTRICTS OFF THE FORMULA.] If the amount of the community education levy for a district exceeds the district's community education revenue, the amount of the community education levy is limited to the sum of:

- (1) the district's community education revenue according to subdivision 1; plus*
- (2) the amount of the aid reduction for the same fiscal year according to subdivision 6b.*

For purposes of statutory cross-reference, a levy made according to this subdivision is the levy made according to subdivision 6.

Sec. 28. Minnesota Statutes 1992, section 124.2713, is amended by adding a subdivision to read:

Subd. 6b. [COMMUNITY EDUCATION LEVY EQUITY.] (a) If a district's community education levy for a fiscal year is determined according to subdivision 6a, an amount must be deducted from state aid authorized in this chapter receivable for the same fiscal year, and from state payments authorized in chapter 273 and receivable for the same fiscal year, the amount of the deduction equals the difference between:

- (1) the district's community education revenue according to subdivision 1; and*
- (2) the district's maximum community education levy according to subdivision 6.*

(b) The amount of the deduction in any fiscal year must not exceed the amount of state payments authorized in chapters 124 and 273 and receivable for the same fiscal year in the district's community service fund.

Sec. 29. Minnesota Statutes 1992, section 124.2713, is amended by adding a subdivision to read:

Subd. 10. [RESERVE ACCOUNT.] Community education revenue and youth service revenue must be maintained in a reserved account within the community service fund.

Sec. 30. Minnesota Statutes 1992, section 124.2714, is amended to read:

124.2714 [ADDITIONAL COMMUNITY EDUCATION REVENUE.]

(a) A district that is eligible under section 124.2713, subdivision 2, may levy an amount up to the amount authorized by Minnesota Statutes 1986, section 275.125, subdivision 8, clause (2).

(b) *Beginning with levies for fiscal year 1995, this levy must be reduced each year by the amount of any increase in the levying district's community education revenue under section 124.2713 for that fiscal year over the amount received by the district under section 124.2713 for fiscal year 1994.*

(c) The proceeds of the levy may be used for the purposes set forth in section 124.2713, subdivision 8.

Sec. 31. Minnesota Statutes 1992, section 124.2716, is amended to read:

124.2716 [EXTENDED DAY ~~LEVY~~ REVENUE.]

Subdivision 1. [ELIGIBILITY.] A school district that offers an extended day program according to section 121.88, subdivision 10, ~~may levy~~ is eligible for extended day revenue for the additional costs of providing services to children with disabilities or to children experiencing family or related problems of a temporary nature who participate in the extended day program.

Subd. 2. [EXTENDED DAY REVENUE.] The extended day revenue for an eligible school district equals the approved additional cost of providing services to children with disabilities or children experiencing family or related problems of a temporary nature who participate in the extended day program.

Subd. 3. [EXTENDED DAY LEVY.] To obtain extended day revenue, a school district may levy an amount equal to the district's extended day revenue as defined in subdivision 2 multiplied by the lesser of one, or the ratio of the quotient derived by dividing the adjusted net tax capacity of the district for the year before the year the levy is certified by the actual pupil units in the district for the school year to which the levy is attributable, to \$3,700.

Subd. 4. [EXTENDED DAY AID.] A district's extended day aid is the difference between its extended day revenue and its extended day levy. If a district does not levy the entire amount permitted, extended day aid must be reduced in proportion to the actual amount levied.

Sec. 32. [124.2717] [REDUCTION TO COMMUNITY EDUCATION REVENUE.]

Subdivision 1. [REVENUE REDUCTION.] (a) A school district's revenue under sections 124.2713 and 124.2714 must be reduced if the community service fund balance reserved for community education as of June 30 in the last school year exceeds 200 percent of the district's revenue for the current school year under section 124.2713. The amount of the reduction equals the lesser of:

- (1) the amount of the excess; or
- (2) the amount of the district's revenue for the current school year under sections 124.2713 and 124.2714.

(b) The reduction must be made first from the district's revenue under section 124.2714. A reduction must be made to the district's revenue under section 124.2713 only if the amount of the reduction exceeds the district's revenue under section 124.2714.

Subd. 2. [LEVY REDUCTION.] If a district's revenue under section 124.2713 is reduced, the community education levy must be reduced by the following amount:

- (1) the reduction specified in subdivision 1; times
- (2) the lesser of one or the ratio of the district's community education levy to its community education revenue.

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

Sec. 33. [124.651] [INTEGRATED EARLY CHILDHOOD SERVICES REVENUE.]

Subdivision 1. [ELIGIBILITY.] A school district is eligible for integrated early childhood services revenue if the commissioner of education has approved a plan required under subdivision 3.

Subd. 2. [INTEGRATED EARLY CHILDHOOD SERVICES REVENUE.] A school district's integrated early childhood services revenue is equal to the sum of the amounts received according to sections 124.2615, subdivision 2; 124.2711, subdivision 1; 124.2716; and 123.7045. If a school district does not submit a plan for integrated early childhood services revenue, the revenue received according to sections 124.2615, subdivision 2; 124.2711, subdivision 1; 124.2716; and 123.7045 shall be used only for the approved purposes as provided for in sections 121.831; 121.882; 121.88, subdivision 10; and 123.702.

Subd. 3. [INTEGRATED EARLY CHILDHOOD SERVICES PLAN.] To receive integrated early childhood services revenue, a school district must submit a plan to the commissioner of education. The plan must specify the services the school district will provide to young children and their families using integrated early childhood services revenue. The plan shall include a description of the proposed cooperative arrangements with other school districts, counties, municipalities, nonprofit service providers, businesses, or other community organizations to provide coordinated, comprehensive services; a description of proposed family outreach efforts; and proof of substantial community involvement in the development of the plan. The plan must ensure that equivalent services or outcomes to those required under sections 121.831, 121.882, and 123.702 will be provided.

Sec. 34. Minnesota Statutes, 1992, section 126.67, subdivision 8, is amended to read:

Subd. 8. [CAREER INFORMATION; APPROPRIATION.] (a) The department of education, through the Minnesota career information system, may provide career information to school districts and other educational organi-

zations, employment and training services, human service agencies, libraries, and families. The department shall collect fees necessary to recover all expenditures related to the operation of the Minnesota career information service. Grants may be accepted and used for the improvement or operation of the program. *All receipts must be deposited in a special account in the special revenue fund. The money in the account, along with any interest earned, is appropriated annually to the commissioner of education for the Minnesota career information system. Equipment, materials, and property purchased with Minnesota career information system money must be for the sole use and benefit of the system.*

(b) The department must recognize that the Minnesota career information system operates under a self-supporting directive, and, accordingly, must be provided sufficient administrative latitude within the confines of law to enable the system to operate effectively.

Sec. 35. [INTEGRATED CHILDREN'S DATABASE.]

Subdivision 1. [PLAN.] The departments of education, administration, health and human services, and the office of strategic and long-range planning shall jointly develop a plan for an integrated statewide children's service database. The plan must include common essential data elements that include all children from birth through kindergarten enrollment by July 1, 1995. The essential data elements shall be the basis for a statewide children's service database. Initial service areas shall include but are not limited to: early childhood and family education, ECFE tribal schools, learning readiness, way to grow, early childhood special education part H, even start, school health, home visitor, lead poisoning screening, child care resources and referral, child care service development, child trust fund, migrant child care, dependent child care, headstart and community resource program.

In developing a plan for a statewide integrated children's database the joint planning team must do the following:

(1) conduct a high-level needs analysis of service delivery areas and reporting and decision making areas;

(2) inventory current information systems;

(3) establish outcomes for system development;

(4) analyze the needs of individuals and organizations that will use the system; and

(5) identify barriers to sharing of information and recommend changes to the Data Practices Act to accomplish the removal of those barriers.

Subd. 2. [DATA STORAGE.] The departments of education, administration, corrections, health and human services, and the office of strategic and long-range planning must provide to the legislature by January 30, 1995, a plan for storage of essential data elements for use by family service centers. This plan will include reporting of data to the state as a by-product of both family service and school district internal operations.

Subd. 3. [AGENCY SYSTEM INTEGRATION.] Any state agency or department with programs serving children that is designing or redesigning its information system must ensure that the resulting information system is fully able to be integrated into the statewide children's service database by June 30, 1995. Agencies or departments must submit plans for information

systems design or redesign for review by the information policy office to ensure that agency or department information will be able to be integrated into the statewide children's service database.

Sec. 36. [NORTH BRANCH COMMUNITY PARTICIPATION SCHOOL.]

Subdivision 1. [PILOT PROGRAM.] Independent school district No. 138, North Branch, shall establish a pilot outcome-based community participation school with the following components:

- (1) educational opportunities for preschool through grade 6 learners;*
- (2) social services located at the school, including student and family counseling and appropriate referrals when necessary;*
- (3) programs that focus on self-esteem, conflict resolution, violence prevention, truancy, and other related issues;*
- (4) health services located at the school to address the health needs of learners, including prevention programs designed to reduce health-related problems caused by drug and alcohol use, poor nutrition, and other factors;*
- (5) community education programs designed to assist parents with the challenges of parenting in today's society;*
- (6) regular contact with the families of students by teachers, social workers, nurses, and other school personnel through home visits, conferences at school or the workplaces of family members, telephone contact, and written communication; and*
- (7) a Saturday program designed to address issues such as remedial work and family dynamics that impact student learning, or to provide other learning opportunities for students and their families.*

Subd. 2. [FAMILY-SCHOOL PARTNERSHIP.]

The families of students attending the community participation school must agree to participate in the program by:

- (1) supporting the philosophy of the school;*
- (2) serving as volunteers at the school during the day, the evening, or on weekends;*
- (3) attending family training and information sessions on topics such as conflict resolution and parenting skills; and*
- (4) emphasizing the value of education at home through activities such as reading to their children and encouraging them to read, taking them to libraries, and reducing the family's television viewing.*

Subd. 3. [COMMUNITY LEARNING COMMITTEE.]

A community learning committee shall be formed with representatives from the school district, city council, county, student groups, and others to develop a community plan for the implementation of this pilot program and to identify strategies for enhancing community recognition of the value that needs to be placed on education. The committee shall address how agencies will combine resources to collaborate on service delivery to carry out the purposes of the

pilot school. The school board of independent school district No. 138 shall convene the initial meeting of this committee.

Subd. 4. [TIMELINES.]

(a) The board of independent school district No. 138 shall establish this program no later than January 1, 1994. The community learning committee must be convened within 30 days following enactment of this section.

(b) By July 15, 1994, independent school district No. 138 shall submit a report on the pilot program's status to the commissioner of education, the state board of education, and the education committees of the legislature.

(c) By February 1, 1995, independent school district No. 138 shall submit a report on the program's initial year to the commissioner of education, the state board of education, and the education committees of the legislature. The report must document the impact of the pilot program on student performance in meeting outcomes, changes in student social behaviors and student health, family involvement in the school and the impact of that involvement, agency collaboration in providing school-based services, and other community participation.

Sec. 37. [REPORTS.]

By February 15, 1994, the children's cabinet shall report to the chairs of the family services and education committees of the legislature and to the legislative commission on children, youth, and families the number of plans approved under section 9, subdivision 5, the amounts of the grants distributed, a brief description of the proposals, and the status of the family services collaboratives established under section 8, subdivision 1.

Sec. 38. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums indicated in this section are appropriated from the general fund or other named fund to the department of education for the fiscal years designated.

Subd. 2. [ADULT BASIC EDUCATION AID.] For adult basic education aid according to Minnesota Statutes, section 124.26 in fiscal year 1994 and 124.2601 in fiscal year 1995:

\$6,159,000 1994

\$9,454,000 1995

The 1994 appropriation includes \$911,000 for 1993 and \$5,248,000 for 1994.

The 1995 appropriation includes \$926,000 for 1994 and \$8,528,000 for 1995.

Up to \$275,000 each year may be used for contracts with private, nonprofit organizations for approved programs.

Up to \$300,000 each year shall be used to provide grants to school districts for bilingual and English as a second language instruction to limited English proficiency adults enrolled in approved adult basic education programs. A school district shall apply to the commissioner for a grant no later than August 1 of each year. The maximum amount of a grant is \$50,000.

Subd. 3. [ADULTS WITH DISABILITIES PROGRAM AID.] For adults with disabilities programs according to Minnesota Statutes, section 124.2715:

\$670,000 1994

\$670,000 1995

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

Subd. 4. [ALCOHOL-IMPAIRED DRIVER.] (a) For grants with funds received under Minnesota Statutes, section 171.29, subdivision 2, paragraph (b), clause (4):

\$288,000 1994

\$288,000 1995

(b) These appropriations are from the alcohol-impaired driver account of the special revenue fund. Any funds credited for the department of education to the alcohol-impaired driver account of the special revenue fund in excess of the amounts appropriated in this subdivision are appropriated to the department of education and available in fiscal year 1994 and fiscal year 1995.

(c) Up to \$88,000 each year may be used for grants to support student-centered programs to discourage driving after consuming alcohol.

(d) Up to \$200,000 and any additional funds each year may be used for chemical abuse prevention grants.

Subd. 5. [COMMUNITY EDUCATION AID.] For community education aid according to Minnesota Statutes, section 124.2713:

\$3,182,000 1994

\$3,291,000 1995

The 1994 appropriation includes \$496,000 for 1993 and \$2,686,000 for 1994.

The 1995 appropriation includes \$474,000 for 1994 and \$2,817,000 for 1995.

Subd. 6. [EARLY CHILDHOOD FAMILY EDUCATION AID.] For early childhood family education aid according to Minnesota Statutes, section 124.2711:

\$13,464,000 1994

\$13,762,000 1995

The 1994 appropriation includes \$1,875,000 for 1993 and \$11,589,000 for 1994.

The 1995 appropriation includes \$2,044,000 for 1994 and \$11,718,000 for 1995.

Up to \$15,000 each year may be spent to develop outcomes for and evaluate ECFE programs.

Subd. 7. [HEALTH AND DEVELOPMENTAL SCREENING AID.] For health and developmental screening aid according to Minnesota Statutes, sections 123.702 and 123.7045:

\$1,558,000 1994

\$1,550,000 1995

The 1994 appropriation includes \$240,000 for 1993 and \$1,318,000 for 1994.

The 1995 appropriation includes \$232,000 for 1994 and \$1,318,000 for 1995.

Any balance in the first year does not cancel but is available in the second year.

Subd. 8. [HEARING IMPAIRED ADULTS.] For programs for hearing impaired adults according to Minnesota Statutes, section 121.201:

\$70,000 1994

\$70,000 1995

Subd. 9. [ADULT GRADUATION AID.] For adult graduation aid:

\$1,827,000 1994

\$1,986,000 1995

The 1994 appropriation includes \$204,000 for 1993 and \$1,623,000 for 1994.

The 1995 appropriation includes \$286,000 for 1994 and \$1,700,000 for 1995.

In the event that the appropriation in either year is insufficient, the adult graduation aid paid to a school district and to a higher education institution shall be prorated equally.

Subd. 10. [GED TESTS.] For payment of 60 percent of the costs of GED tests:

\$180,000 1994

\$180,000 1995

Subd. 11. [WAY TO GROW.] For grants for way to grow programs according to Minnesota Statutes, section 145.926:

\$1,150,000 1994

\$200,000 of this appropriation shall be used to award grants for up to four additional pilot projects, including one pilot project in a city located within the metropolitan area as defined in 473.12, subdivision 2, that is not a first-class city; and up to three pilot projects in cities located outside of the metropolitan area as defined in 473.121, subdivision 2.

This appropriation is available until June 30, 1995.

Subd. 12. [SURVEY.] For a survey of students, including those attending alternative education programs:

\$150,000 1995

Subd. 13. [LEARNING READINESS AND HEAD START.] For learning readiness and head start programs:

\$16,205,000 1994

\$22,554,000 1995

The 1994 appropriation includes \$1,412,000 for 1993 and \$8,540,000 for 1994 for learning readiness programs.

The 1995 appropriation includes \$1,508,000 for 1994 and \$8,540,000 for 1995 for learning readiness programs.

Upon agreement by the commissioners of finance, education, and jobs and training as to how learning readiness, head start, and early childhood family education spending will be coordinated, \$6,253,000 in 1994 and \$12,506,000 in 1995 shall be transferred to the department of jobs and training for head start programs.

Subd. 14. [NORTH BRANCH GRANT.] For a grant to independent school district No. 138, North Branch, to develop a community school program:

\$200,000 1994

Any balance in the first year does not cancel but is available in the second year.

Subd. 15. [FAMILY SERVICES COLLABORATIVES.] For grants to family services collaboratives according to section 8, subdivisions 4 and 5:

\$5,000,000 1994

\$1,500,000 is for family services planning grants according to section 8, subdivision 4.

Up to \$130,000 of the sum listed above is for the legislative coordinating commission for purposes of section 1.

Up to \$400,000 is for the office of strategic and long-range planning for the purposes of section 8, subdivision 1.

Up to \$100,000 is for the office of strategic and long-range planning for the purposes of section 35.

Any portion of this sum not spent on planning grants shall be used for implementation grants.

\$3,500,000 is for family services implementation grants according to section 8, subdivision 5.

The amounts appropriated under this section do not cancel but are available until June 30, 1996.

Subd. 16. [EXTENDED DAY AID.] For extended day aid according to Minnesota Statutes, section 124.2716:

\$340,000 1995

Sec. 39. [EFFECTIVE DATE.]

Section 28 is effective for 1993 payable 1994 levies and fiscal year 1995 aid.

ARTICLE 5

INFRASTRUCTURE AND EQUIPMENT

Section 1. Minnesota Statutes 1992, section 123.36, is amended by adding a subdivision to read:

Subd. 15. [USE OF BUILDINGS BY LOWER GRADES.] (a) In addition to the protections provided in existing building and fire code rules and standards, the following alternatives apply for existing school buildings:

(1) rooms occupied by preschool, kindergarten, and first and second grade students for classrooms, latchkey, day care, early childhood family education or teen parent or similar programs may be located on any floor level below the fourth story of a school building if the building is protected throughout by a complete automatic sprinkler system and a complete automatic fire alarm system consisting of automatic smoke detection throughout the exit system and approved smoke detection in all rooms and areas other than classrooms and offices;

(2) rooms used by preschool, kindergarten, or first grade students for classrooms, latchkey, day care, early childhood family education or teen parent or similar programs, must be located on the story of exit discharge, and rooms used by second grade students, for any purpose, must be located on the story of exit discharge or one story above unless one of the following conditions is met:

(i) a complete automatic sprinkler system is provided throughout the building, the use of the affected room or space is limited to one grade level at a time and exiting is provided from the affected room or space which is independent from the exiting system used by older students; or

(ii) a complete approved automatic fire alarm system is installed throughout the building consisting of automatic smoke detection throughout the exit system and approved detection in all rooms and areas other than classrooms and offices, the use of the affected room or space is limited to one grade level at a time and exiting is provided from the affected room or space which is independent from the exiting system used by older students; and

(3) for purposes of this clause, pupils from second grade down are considered one grade level.

(b) Accessory spaces, including gymnasiums, cafeterias, media centers, auditoriums, libraries, and band and choir rooms, which are used on an occasional basis by preschool, kindergarten, and first and second grade students are permitted to be located one level above or one level below the story of exit discharge, provided the building is protected throughout by a complete automatic sprinkler system or a complete approved corridor smoke detection system.

(c) Paragraphs (a) and (b) supersede any contrary provisions of the state fire code or state building code and rules relating to those codes must be amended by the state agencies having jurisdiction of them.

(d) Paragraphs (a), (b), and (c) are effective for new school buildings beginning July 1, 1994.

Sec. 2. [124.239] [ALTERNATIVE FACILITY MAINTENANCE PROGRAM.]

Subdivision 1. [TO QUALIFY.] An independent or special school district qualifies to participate in the alternative facilities bonding and levy program if the district has:

- (1) more than 66 students per grade;*
- (2) over 2,000,000 square feet of space;*
- (3) average age of building space is 20 years or older;*
- (4) insufficient funds from infrastructure maintenance revenue to meet the requirements for deferred maintenance, to make accessibility improvements, or to make fire, safety, or health repairs; and*
- (5) a ten-year facility plan approved by the commissioner according to subdivision 2.*

Subd. 2. [TEN-YEAR PLAN.] (a) A qualifying district must have a ten-year facility plan approved by the commissioner that includes an inventory of projects and costs that would be eligible for:

- (1) health and safety revenue;*
- (2) disabled access levy; and*
- (3) deferred capital expenditures and maintenance projects necessary to prevent further erosion of facilities.*

(b) The school district must:

- (1) annually update the plan;*
- (2) biennially submit a facility maintenance plan; and*
- (3) indicate whether the district will issue bonds to finance the plan or levy for the costs.*

Subd. 3. [BOND AUTHORIZATION.] A school district, with the approval of its board and the commissioner under this section, may issue general obligation bonds to finance the approved facilities plans. Chapter 475, except sections 475.58 and 475.59, must be complied with. The authority to issue bonds under this section is in addition to any bonding authority authorized by chapter 124, or other law. The amount of bonding authority authorized under this section must be disregarded in calculating the bonding or net debt limits of chapter 124, or any other law other than section 475.53, subdivision 4.

Subd. 4. [LEVY PROHIBITED FOR CAPITAL PROJECTS.] A district that participates in the alternative facility program is not eligible to levy and cannot receive aid for any capital projects under sections 124.83 and 124.84. If the district has indicated to the commissioner that the plan will be funded through a levy, the district may levy the amount of the approved costs according to the schedule in the plan.

Subd. 5. [SEPARATE ACCOUNT.] A district must establish a separate account under UFARS for this program. If the district's levy exceeds the

necessary interest and principal payments and noncapital health and safety costs, the district must reserve the revenue to replace future bonding authority, prepay bonds authorized under this program, or make payments on principal and interest.

Sec. 3. Minnesota Statutes 1992, section 124.243, subdivision 2, is amended to read:

Subd. 2. [~~CAPITAL EXPENDITURE FACILITIES INFRASTRUCTURE MAINTENANCE REVENUE.~~] ~~Capital expenditure facilities~~ (a) ~~Infrastructure maintenance revenue for a district equals \$128 \$100 times the district's maintenance cost index times its actual marginal cost pupil units for the school year. A district's capital expenditure facilities infrastructure maintenance revenue for a school year shall be reduced if the unreserved balance in the capital expenditure facilities infrastructure maintenance account on June 30 of the prior school year exceeds \$270 times the fund balance pupil units in the prior year as defined in section 124A.26, subdivision 1. If a district's capital expenditure facilities infrastructure maintenance revenue is reduced, the reduction equals the lesser of (1) the amount that the unreserved balance in the capital expenditure facilities infrastructure maintenance account on June 30 of the prior year exceeds \$270 times the fund balance pupil units in the prior year, or (2) the capital expenditure facilities infrastructure maintenance revenue for that year.~~

(b) *For 1995 and later fiscal years, the previous formula infrastructure maintenance revenue equals the amount of revenue computed for the district according to Minnesota Statutes, section 124.243 for fiscal year 1994.*

(c) *Notwithstanding clause (a), for fiscal year 1995, the infrastructure maintenance revenue for each district equals 25 percent of the amount determined in clause (a) plus 75 percent of the previous formula infrastructure maintenance revenue.*

(d) *Notwithstanding clause (a), for fiscal year 1996, the infrastructure maintenance revenue for each district equals 50 percent of the amount determined in clause (a) plus 50 percent of the previous formula infrastructure maintenance revenue.*

(e) *Notwithstanding clause (a), for fiscal year 1997, the infrastructure maintenance revenue for each district equals 75 percent of the amount determined in clause (a) plus 25 percent of the previous formula infrastructure maintenance revenue.*

Sec. 4. Minnesota Statutes 1992, section 124.243, subdivision 2a, is amended to read:

Subd. 2a. [~~EXCEPTION TO FUND BALANCE REDUCTION.~~] A district may apply to the commissioner for approval for an unreserved fund balance in its ~~capital expenditure facilities infrastructure maintenance~~ account that exceeds \$270 per fund balance pupil unit for a period not to exceed ~~three~~ five years. If the commissioner approves the district's application, the district's ~~capital expenditure facilities infrastructure maintenance~~ revenue shall not be reduced according to subdivision 2. The commissioner may approve a district's application for an exception only if the use of the district's ~~capital expenditure facilities infrastructure maintenance~~ funds are consistent with plans adopted according to subdivision 1.

Sec. 5. Minnesota Statutes 1992, section 124.243, subdivision 3, is amended to read:

Subd. 3. [~~CAPITAL EXPENDITURE FACILITIES INFRASTRUCTURE MAINTENANCE LEVY.~~] To obtain ~~capital expenditure facilities infrastructure maintenance~~ revenue, a district may levy an amount not to exceed the ~~capital expenditure facilities infrastructure maintenance~~ revenue determined in subdivision 2 multiplied by the lesser of one, or the ratio of:

(1) the quotient derived by dividing the adjusted net tax capacity of the district for the year preceding the year the levy is certified by the ~~actual~~ *marginal cost* pupil units in the district for the school year to which the levy is attributable, to

(2) 100 percent of the equalizing factor for the school year to which the levy is attributable.

Sec. 6. Minnesota Statutes 1992, section 124.243, subdivision 6, is amended to read:

Subd. 6. [USES OF REVENUE.] ~~Capital expenditure facilities Infrastructure maintenance~~ revenue may be used only for the following purposes:

- (1) to acquire land for school purposes *adjacent to school property*;
- (2) to acquire or construct buildings for school purposes, ~~if approved by the commissioner of education according to applicable statutes and rules up to \$400,000~~;
- (3) to rent or lease buildings, including the costs of building repair or improvement that are part of a lease agreement;
- (4) to improve and repair school sites and buildings, and equip or reequip school buildings with permanent attached fixtures;
- (5) for a surplus school building that is used substantially for a public nonschool purpose;
- (6) to eliminate barriers or increase access to school buildings by individuals with a disability;
- (7) to bring school buildings into compliance with the uniform fire code adopted according to chapter 299F;
- (8) to remove asbestos from school buildings, encapsulate asbestos, or make asbestos-related repairs;
- (9) to clean up and dispose of polychlorinated biphenyls found in school buildings;
- (10) to clean up, remove, dispose of, and make repairs related to storing heating fuel or transportation fuels such as alcohol, gasoline, fuel oil, and special fuel, as defined in section 296.01;
- (11) for energy audits for school buildings and to modify buildings if the audit indicates the cost of the modification can be recovered within ten years;
- (12) to improve buildings that are leased according to section 123.36, subdivision 10;

(13) to pay special assessments levied against school property but not to pay assessments for service charges;

(14) to pay principal and interest on state loans for energy conservation according to section 216C.37 or loans made under the northeast Minnesota economic protection trust fund act according to sections 298.292 to 298.298; and

(15) to purchase or lease interactive telecommunications equipment.

Sec. 7. Minnesota Statutes 1992, section 124.243, is amended by adding a subdivision to read:

Subd. 12. [MAINTENANCE COST INDEX.] (a) A district's maintenance cost index is equal to the ratio of:

(1) the total weighted square footage for all eligible district-owned facilities; and

(2) the total unweighted square footage of these facilities.

(b) The department shall determine a district's maintenance cost index annually. Eligible district owned facilities shall include only instructional or administrative square footage owned by the district. The commissioner of education may adjust the age of a building or addition for major renovation projects.

(c) The square footage weighting factor for each original building or addition equals the lesser of:

(1) one plus the ratio of the age in years to 100; or

(2) 1.5.

(d) The weighted square footage for each original building or addition equals the product of the unweighted square footage times the square footage weighting factor.

Sec. 8. Minnesota Statutes 1992, section 124.244, subdivision 1, is amended to read:

Subdivision 1. [REVENUE AMOUNT.] The capital expenditure equipment revenue for each district equals ~~\$63~~ \$68 times its ~~actual~~ *actual* marginal cost pupil units ~~counted according to section 124.17, subdivision 1,~~ for the school year.

Sec. 9. Minnesota Statutes 1992, section 124.244, subdivision 2, is amended to read:

Subd. 2. [CAPITAL EXPENDITURE EQUIPMENT LEVY.] To obtain capital expenditure equipment revenue, a district may levy an amount not to exceed the district's capital expenditure equipment revenue as determined in subdivision 1 multiplied by the lesser of one; or the ratio of:

(1) the quotient derived by dividing the adjusted net tax capacity of the district for the year preceding the year the levy is certified by the ~~actual~~ *actual* marginal cost pupil units in the district for the school year to which the levy is attributable, to

(2) 100 percent of the equalizing factor for the school year to which the levy is attributable.

Sec. 10. Minnesota Statutes 1992, section 124.431, subdivision 1a, is amended to read:

Subd. 1a. [CAPITAL LOANS ELIGIBILITY.] Beginning July 1, 1992, a district is not eligible for a capital loan unless the district's estimated net debt tax rate *as computed by the commissioner* after debt service equalization aid would be more than 20 percent of adjusted net tax capacity. *The estimate must assume a 20-year maturity schedule for new debt.*

Sec. 11. Minnesota Statutes 1992, section 124.431, subdivision 14, is amended to read:

Subd. 14. [BOND SALE LIMITATIONS.] A district having an outstanding state loan must not issue and sell any bonds on the public market, except to refund state loans, unless it agrees to make the maximum effort debt service levy in each later year at the higher rate provided in section 124.38, subdivision 7, and unless it schedules the maturities of the bonds according to section 475.54, subdivision 2. *A district that refunds bonds or certificates of indebtedness at a lower interest rate may continue to make the maximum effort debt service levy in each later year at the current rate provided in section 124.38, subdivision 7, if the district can demonstrate to the commissioner's satisfaction that the district's repayments of the state loan will not be reduced below the previous year's level. The district shall report each sale to the commissioner of education.*

After a district's capital loan has been outstanding for 20 years, the district must not issue bonds on the public market except to refund the loan.

Sec. 12. [124.829] [HEALTH, SAFETY, AND ENVIRONMENTAL MANAGEMENT.]

"Health, safety, and environmental management" means school district activities necessary for a district's compliance with state law and rules of the departments of health, labor and industry, public safety, and pollution control agency as well as any related federal standards. These activities include hazard assessment, required training, record keeping, and program management.

Sec. 13. Minnesota Statutes 1992, section 124.83, subdivision 1, is amended to read:

Subdivision 1. [HEALTH AND SAFETY PROGRAM.] To receive health and safety revenue for any fiscal year a district, including an intermediate district, must submit to the commissioner of education an application for aid and levy by the date determined by the commissioner. The application may be for hazardous substance removal, fire ~~code compliance~~, ~~or~~ and life safety code repairs, labor and industry regulated facility and equipment violations, and health, safety, and environmental management. The application must include a health and safety program adopted by the school district board. The program must include the estimated cost, *per building*, of the program by fiscal year.

Sec. 14. Minnesota Statutes 1992, section 124.83, subdivision 2, is amended to read:

Subd. 2. [CONTENTS OF PROGRAM.] A district ~~may~~ *must* adopt a health and safety program. The program ~~may~~ *must* include plans, *where applicable*, for hazardous substance removal, fire ~~code compliance~~, ~~or~~ and life safety

code repairs, regulated facility and equipment violations, and health, safety, and environmental management.

(a) A hazardous substance plan must contain provisions for the removal or encapsulation of asbestos from school buildings or property, asbestos-related repairs, cleanup and disposal of polychlorinated biphenyls found in school buildings or property, and cleanup, removal, disposal, and repairs related to storing heating fuel or transportation fuels such as alcohol, gasoline, fuel, oil, and special fuel, as defined in section 296.01. If a district has already developed a plan for the removal or encapsulation of asbestos *as required by AHERA*, ~~a new plan is not necessary~~ *the district may use a summary of that plan, which includes a description and schedule of response actions, for purposes of this section. The plan must also contain provisions to make modifications to existing facilities and equipment necessary to limit personal exposure to hazardous substances, as regulated by the federal Occupational Safety and Health Administration under Code of Federal Regulations, title 29, part 1910, subpart Z; or is determined by the commissioner to present a significant risk to district staff or student health and safety as a result of foreseeable use, handling, accidental spill, exposure, or contamination.*

(b) A fire and life safety plan must contain a description of the current fire and life safety code ~~violation~~ *violations*, a plan for the removal or repair of the fire and life safety hazard, and a description of safety preparation and awareness procedures to be followed until the hazard is fully corrected.

~~A life safety plan must contain a description of the life safety hazard and a plan for its removal or repair.~~

(c) A facilities and equipment violation plan must contain provisions to correct health and safety hazards as provided in department of labor and industry standards pursuant to section 182.655.

(d) A health, safety, and environmental management plan must contain a description of training, record keeping, hazard assessment, and program management as defined in section 12.

(e) A plan to test for and mitigate radon produced hazards.

Sec. 15. Minnesota Statutes 1992, section 124.83, subdivision 4, is amended to read:

Subd. 4. [HEALTH AND SAFETY LEVY.] To receive health and safety revenue, a district may levy an amount equal to the district's health and safety revenue as defined in subdivision 3 multiplied by the lesser of one, or the ratio of the quotient derived by dividing the adjusted net tax capacity of the district for the year preceding the year the levy is certified by the ~~actual~~ *marginal cost* pupil units in the district for the school year to which the levy is attributable, to ~~\$3.515~~ *50 percent of the equalizing factor.*

Sec. 16. Minnesota Statutes 1992, section 124.83, subdivision 6, is amended to read:

Subd. 6. [USES OF HEALTH AND SAFETY REVENUE.] Health and safety revenue may be used only for approved expenditures necessary to correct fire safety hazards, life safety hazards, or for the removal or encapsulation of asbestos from school buildings or property, asbestos-related repairs, cleanup and disposal of polychlorinated biphenyls found in school buildings or property, or the cleanup, removal, disposal, and repairs related to

storing heating fuel or transportation fuels such as alcohol, gasoline, fuel oil, and special fuel, as defined in section 296.01, *labor and industry regulated facility and equipment hazards, and health, safety, and environmental management*. Health and safety revenue must not be used for the construction of new facilities or the purchase of portable classrooms. The revenue may not be used for a building or property or part of a building or property used for post-secondary instruction or administration or for a purpose unrelated to elementary and secondary education.

Sec. 17. Minnesota Statutes 1992, section 124.83, is amended by adding a subdivision to read:

Subd. 8. [HEALTH, SAFETY, AND ENVIRONMENTAL MANAGEMENT COST.] (a) A district's cost for health, safety, and environmental management is limited to the lesser of:

- (1) actual cost to implement their plan; or*
- (2) an amount determined by the commissioner, based on enrollment, building age, and size.*

(b) Effective July 1, 1993, the department of education may contract with regional service organizations, private contractors, Minnesota safety council, or state agencies to provide management assistance to school districts for health and safety capital projects. Management assistance is the development of written programs for the identification, recognition and control of hazards, and prioritization and scheduling of district health and safety capital projects.

(c) Notwithstanding paragraph (b), the department may approve revenue, up to the limit defined in paragraph (a) for districts having an approved health, safety, and environmental management plan that uses district staff to accomplish coordination and provided services.

Sec. 18. Minnesota Statutes 1992, section 124.85, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] The definitions in this subdivision apply to this section.

(a) "Energy conservation measure" means a training program or facility alteration designed to reduce energy consumption or operating costs and includes:

- (1) insulation of the building structure and systems within the building;
- (2) storm windows and doors, caulking or weatherstripping, multiglazed windows and doors, heat absorbing or heat reflective glazed and coated window and door systems, additional glazing, reductions in glass area, and other window and door system modifications that reduce energy consumption;
- (3) automatic energy control systems;
- (4) heating, ventilating, or air conditioning system modifications or replacements;
- (5) replacement or modifications of lighting fixtures to increase the energy efficiency of the lighting system without increasing the overall illumination of a facility, unless such increase in illumination is necessary to conform to the applicable state or local building code for the lighting system after the proposed modifications are made;

(6) energy recovery systems;

(7) cogeneration systems that produce steam or forms of energy such as heat, as well as electricity, for use primarily within a building or complex of buildings;

(8) energy conservation measures that provide long-term operating cost reductions.

(b) "Guaranteed energy savings contract" means a contract for the evaluation and recommendations of energy conservation measures, and for one or more energy conservation measures. The contract must provide that all payments, except obligations on termination of the contract before its expiration, are to be made over time, but not to exceed ~~ten~~ 25 years from the date of final installation, and the savings are guaranteed to the extent necessary to make payments for the systems.

(c) "Qualified provider" means a person or business experienced in the design, implementation, and installation of energy conservation measures. A qualified provider to whom the contract is awarded shall give a sufficient bond to the school district for its faithful performance.

Sec. 19. Minnesota Statutes 1992, section 124.85, subdivision 4, is amended to read:

Subd. 4. [DISTRICT ACTION.] A district may enter into a guaranteed energy savings contract with a qualified provider if, after review of the report, it finds that the amount it would spend on the energy conservation measures recommended in the report is not likely to exceed the amount to be saved in energy and operation costs over ~~ten~~ 25 years from the date of installation if the recommendations in the report were followed, and the qualified provider provides a written guarantee that the energy or operating cost savings will meet or exceed the costs of the system. The guaranteed energy savings contract may provide for payments over a period of time, not to exceed ~~ten~~ 25 years. Notwithstanding section 121.912, a district annually may transfer from the general fund to the capital expenditure fund an amount up to the amount saved in energy and operation costs as a result of guaranteed energy savings contracts.

Sec. 20. Minnesota Statutes 1992, section 124.85, subdivision 5, is amended to read:

Subd. 5. [INSTALLATION CONTRACTS.] A school district may enter into an installment payment contract for the purchase and installation of energy conservation measures. The contract must provide for payments of not less than ~~one-tenth~~ *one-twentyfifth* of the price to be paid within two years from the date of the first operation, and the remaining costs to be paid monthly, not to exceed a ~~ten-year~~ 25-year term from the date of the first operation.

Sec. 21. Minnesota Statutes 1992, section 124.95, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] (a) For purposes of this section, the ~~required~~ eligible debt service ~~levy~~ revenue of a district is defined as follows:

(1) the amount needed to produce between five and six percent in excess of the amount needed to meet when due the principal and interest payments on the obligations; ~~excluding obligations under section 124.2445~~, of the district

for eligible projects according to subdivision 2, including the amounts necessary for repayment of energy loans according to section 216C.37 or sections 298.292 to 298.298, debt service loans and capital loans, *lease purchase payments under section 124.91, subdivisions 2 and 3, minus*

(2) the amount of debt service excess *levy reduction* for that school year calculated according to the procedure established by the commissioner.

(b) The obligations in this paragraph are excluded from eligible debt service revenue:

(1) obligations under section 124.2445;

(2) the part of debt service principal and interest paid from the taconite environmental protection fund or northeast Minnesota economic protection trust; and

(3) obligations issued under Laws 1991, chapter 265, article 5, section 18, as amended by Laws 1992, chapter 499, article 5, section 24.

Sec. 22. Minnesota Statutes 1992, section 124.95, subdivision 2, is amended to read:

Subd. 2. [ELIGIBILITY.] (a) The following portions of a district's debt service levy qualify for debt service equalization:

(1) debt service for repayment of principal and interest on bonds issued before July 2, 1992;

(2) debt service for bonds refinanced after July 1, 1992, if the bond schedule has been approved by the commissioner and, if necessary, adjusted to reflect a 20-year maturity schedule; and

(3) debt service for bonds issued after July 1, 1992, for construction projects that have received a positive review and comment according to section 121.15, if the commissioner has determined that the district has met the criteria under section 124.431, subdivision 2, and if the bond schedule has been approved by the commissioner and, if necessary, adjusted to reflect a 20-year maturity schedule.

(b) The criterion in section 124.431, subdivision 2, paragraph (a), clause (2), shall be considered to have been met if the district in the fiscal year in which the bonds are authorized at an election conducted under chapter 475:

(i) serves an average of at least 66 pupils per grade in the grades to be served by the facility; or

(ii) is eligible for sparsity revenue.

(c) *The criterion described in section 124.431, subdivision 2, paragraph (a), clause (9), does not apply to bonds authorized by elections held before July 1, 1992.*

(d) Districts identified in Laws 1990, chapter 562, article 11, section 8, do not need to meet the criteria of section 124.431, subdivision 2, to qualify.

Sec. 23. Minnesota Statutes 1992, section 124.95, subdivision 2a, is amended to read:

Subd. 2a. [NOTIFICATION.] A district eligible for debt service equalization revenue under subdivision 2 must notify the commissioner of the amount

of its intended debt service ~~levy revenue~~ calculated under subdivision 1 for all bonds sold prior to the notification by July 1 of the calendar year the levy is certified.

Sec. 24. Minnesota Statutes 1992, section 124.95, subdivision 3, is amended to read:

Subd. 3. [DEBT SERVICE EQUALIZATION REVENUE.] (a) For fiscal years 1995 and later, the debt service equalization revenue of a district equals the ~~required eligible~~ debt service ~~levy revenue~~ minus the amount raised by a levy of ten percent times the adjusted net tax capacity of the district.

(b) For fiscal year 1993, debt service equalization revenue equals one-third of the amount calculated in paragraph (a).

(c) For fiscal year 1994, debt service equalization revenue equals two-thirds of the amount calculated in paragraph (a).

Sec. 25. Minnesota Statutes 1992, section 124.95, subdivision 4, is amended to read:

Subd. 4. [EQUALIZED DEBT SERVICE LEVY.] To obtain debt service equalization revenue, a district must levy an amount not to exceed the district's debt service equalization revenue times the lesser of one or the ratio of:

(1) the quotient derived by dividing the adjusted net tax capacity of the district for the year before the year the levy is certified by the ~~actual marginal cost~~ pupil units in the district for the year prior to the year the levy is certified; to

(2) 50 percent of the equalizing factor as defined in section 124A.02, subdivision 8, for the year to which the levy is attributable.

Sec. 26. Minnesota Statutes 1992, section 124.961, is amended to read:

124.961 [DEBT SERVICE APPROPRIATION.]

(a) \$6,000,000 is appropriated in fiscal year 1993 from the general fund to the commissioner of education for payment of debt service equalization aid under section 124.95. \$17,000,000 in fiscal year 1994 and ~~\$21,000,000~~ \$26,000,000 in fiscal year 1995 and each year thereafter is appropriated from the general fund to the commissioner of education for payment of debt service equalization aid under section 124.95. *The 1994 appropriation includes \$3,000,000 for 1993 and \$14,000,000 for 1994.*

(b) ~~These amounts~~ *The appropriations in paragraph (a) must be reduced by the amount of any money specifically appropriated for the same purpose in any year from any state fund.*

Sec. 27. [CAPITAL LOAN; NETT LAKE SCHOOL DISTRICT.]

Subdivision 1. [LOAN APPROVAL.] A capital loan in an amount not to exceed \$7,968,000 to independent school district No. 707, Nett Lake, is approved.

Subd. 2. [APPROPRIATION.] An amount equal to the amount of the loan approved in subdivision 1 is appropriated from the maximum effort school loan fund.

Subd. 3. [MAXIMUM EFFORT SCHOOL LOAN FUND BONDS.] To provide the money appropriated in subdivision 2 from the maximum effort school loan fund, the commissioner of finance, on request of the governor, shall sell and issue bonds of the state in an amount up to \$7,968,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7. The proceeds of the bonds, except accrued interest and any premium received on the sale of the bonds, must be credited to a bond proceeds account in the maximum effort school loan fund.

Sec. 28. [GRANT COUNTY PROJECT.]

Subdivision 1. [GRANT APPROVAL.] \$6,000,000 in fiscal year 1994 is appropriated from the bond proceeds fund to the commissioner of education for a cooperative secondary facilities grant. Notwithstanding anything to the contrary in Minnesota Statutes, sections 124.491 to 124.494, the commissioner of education shall award the grant to the group of districts that make up the Grant county project, consisting of independent school district Nos. 209, Kensington; 262, Barrett; 263, Elbow Lake-Wendell; and 265, Hoffman. The group of districts must enter into a joint power agreement and must comply with Minnesota Statutes, section 124.494, subdivisions 5 and 6.

Subd. 2. [STATE BOND AUTHORIZATIONS.] To provide money for the cooperative secondary facilities grant under this section, the commissioner of finance, upon the request of the commissioner of education, shall issue and sell bonds of the state up to the amount of \$6,000,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and the Minnesota Constitution, article XI, sections 4 to 7.

Sec. 29. [PLANNING AND EXPENSES.]

\$100,000 in fiscal year 1994 is appropriated from the general fund to the commissioner of education for a grant and administrative expenses to facilitate planning for cooperative secondary facilities for independent school district Nos. 341, Atwater, 461, Cosmos, and 464, Grove City, acting under a joint powers agreement.

Sec. 30. [INSTRUCTION TO REVISOR.]

In the next edition of Minnesota Statutes, the revisor of statutes shall replace the term "capital expenditure facilities" with the term "infrastructure maintenance" wherever it appears in the education code.

Sec. 31. [FACILITY REVENUE USE.]

Notwithstanding section 124.243, subdivision 6, for fiscal year 1994, a district may use up to one-third of its capital expenditure facilities revenue for equipment uses under section 124.244.

Sec. 32. [LEASE LEVY FOR ADMINISTRATIVE SPACE.]

Each year, upon approval of the commissioner of education, independent school district No. 709, Duluth, may levy the amount necessary to rent or lease administrative space so that space being used for administrative purposes as of the effective date of this section can be used for instructional purposes. In granting approval under this section, the commissioner must determine that the overall lease levy for the district would not be higher than it would have been under Minnesota Statutes, section 124.91, subdivision 1.

Sec. 33. [EXCEPTION TO LEASE LIMIT.]

Notwithstanding any law to the contrary, independent school district No. 861, Winona, may enter into an agreement, for the number of years stated in the agreement, with the city of Rollingstone to lease space for educational purposes.

Upon approval by the commissioner of education, the district may levy for as many years as required under the agreement the amount necessary to make payments required by the agreement. To obtain approval from the commissioner, the district must demonstrate substantial collaboration with the city in the use of the facility. The city must also agree to contribute \$100,000 toward the cost of the education portion of the facility. The amount of the levy shall be annually included in the district's debt service levy under Minnesota Statutes, section 124.95, subdivision 1, for purposes of determining the district's debt service equalization aid.

Sec. 34. [SCHOOL AND DAY CARE RADON TESTING; EVALUATION AND MITIGATION REPORT.]

Subdivision 1. [RADON TESTING.] The commissioner of health shall coordinate with the commissioners of human services, education, and jobs and training to administer a school and day care radon testing program. All public and nonpublic school buildings housing students in early childhood through grade 12, all licensed child day care centers, and all head start and learning readiness program facilities must be tested for radon by September 30, 1995. By December 31, 1993, the commissioner of health shall establish technical standards for the radon testing program including quality control and testing protocol. By December 31, 1993, the commissioner of education shall develop and administer a plan for training testers, acquiring test equipment, and distributing the test equipment to all of the facilities required to be tested. Each facility must use appropriate commercial radon testing materials listed by the United States Environmental Protection Agency Radon Measurement Proficiency Program and follow the manufacturer's directions on testing methods and the duration of the test.

Subd. 2. [REPORTING.] By December 31, 1995, each facility must report the results to the commissioner of health in a form prescribed by the commissioner. If the facility has already conducted a radon test at its present location, another test does not need to be conducted if the facility reports the results to the commissioner of health. The results from each school tested must also be reported to the school district.

Subd. 3. [NOTICE.] The commissioner of health shall coordinate with the commissioners of human services, education, and jobs and training to provide written notice to each facility under subdivision 1 of the obligation to test for radon. Notice must also be given to each facility encouraging the facility to mitigate any excessive radon level detected. The written notice to schools must include the United States Environmental Protection Agency Protocol for Radon testing in schools.

Subd. 4. [EVALUATION AND MITIGATION REPORT.] By July 1, 1996, the commissioner of health shall report, in coordination with the commissioners of human services, education, and jobs and training, to the legislature with a recommendation for mitigating excessive levels of radon in buildings required to be tested under subdivision 1. The report must summarize available radon testing information reported under subdivision 1, address the

need for mitigation, describe appropriate mitigation procedures, estimate mitigation costs, and make recommendations that identify sources of funds for mitigation and apportion public and private responsibility for mitigation costs.

Sec. 35. [APPROPRIATION TRANSFER.]

Notwithstanding the provisions of section 124.14, subdivision 7, the commissioner of education, with the approval of the commissioner of finance, may transfer a projected excess in the appropriation for health and safety aid for fiscal year 1995 to the appropriation for debt service aid for the same fiscal year. The projected excess amount and the projected deficit in the appropriation for debt service aid must be determined and the transfer made as of November 1, 1994. The amount of the transfer is limited to the lesser of the projected excess in the health and safety appropriation or the projected deficit in the appropriation for debt service aid. Any transfer must be reported immediately to the education committee of the house of representatives and education committee of the senate.

Sec. 36. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums indicated in this section are appropriated from the general fund to the department of education for the fiscal years designated.

Subd. 2. [INFRASTRUCTURE MAINTENANCE AID.] For infrastructure maintenance aid according to Minnesota Statutes, section 124.243, subdivision 5:

\$74,859,000 1994

\$81,016,300 1995

The 1994 appropriation includes \$10,730,000 for 1993 and \$64,129,000 for 1994.

The 1995 appropriation includes \$11,316,300 for 1994 and \$69,700,000 for 1995.

Subd. 3. [CAPITAL EXPENDITURE EQUIPMENT AID.] For capital expenditure equipment aid according to Minnesota Statutes, section 124.244, subdivision 3:

\$36,842,300 1994

\$42,600,000 1995

The 1994 appropriation includes \$5,279,000 for 1993 and \$31,563,300 for 1994.

The 1995 appropriation includes \$5,570,000 for 1994 and \$37,030,000 for 1995.

Subd. 4. [HEALTH AND SAFETY AID.] (a) For health and safety aid according to Minnesota Statutes, section 124.83, subdivision 5:

\$11,260,000 1994

\$18,924,000 1995

The 1994 appropriation includes \$1,256,000 for 1993 and \$10,004,000 for 1994.

The 1995 appropriation includes \$1,694,000 for 1994 and \$17,230,000 for 1995.

(b) For fiscal year 1995, the sum of total health and safety revenue and levies under section 15 may not exceed \$64,000,000. The state board of education shall establish criteria for prioritizing district health and safety project applications not to exceed this amount.

(c) \$400,000 in fiscal year 1994 and \$400,000 in fiscal year 1995 is for health and safety management assistance contracts under section 17, subdivision 8, clause (b).

Subd. 5. [DEBT SERVICE AID.] For debt service aid according to Minnesota Statutes, section 124.95, subdivision 5:

\$17,018,000 1994

\$26,000,000 1995

Sec. 37. [EFFECTIVE DATE.]

Sections 3 to 9 are effective for revenue for fiscal year 1995.

ARTICLE 6

EDUCATION ORGANIZATION AND COOPERATION

Section 1. Minnesota Statutes 1992, section 120.0621, is amended by adding a subdivision to read:

Subd. 3a. [CANADIAN PUPILS.] A pupil who resides in Canada may enroll in a Minnesota school district if the province in which the pupil resides pays tuition to the school district in which the pupil is enrolled. A pupil may enroll either full-time or part-time for all instructional programs and shall be considered eligible for all other purposes for all other programs offered by the district. The tuition must be an amount that is at least comparable to the tuition specified in section 120.08, subdivision 1. A school district may accept funds from any international agency for these programs.

Sec. 2. Minnesota Statutes 1992, section 121.912, subdivision 6, is amended to read:

Subd. 6. [ACCOUNT TRANSFER FOR REORGANIZING DISTRICTS.] (a) A school district that has reorganized according to section 122.22, 122.23, or sections 122.241 to 122.248 may make permanent transfers between any of the funds in the newly created or enlarged district with the exception of the debt redemption fund, food service fund, and health and safety account of the capital expenditure fund. Fund transfers under this section may be made only during the year following the effective date of reorganization.

(b) A district that has conducted a successful referendum on the question of combination under section 122.243, subdivision 2, may make permanent transfers between any of the funds in the district with the exception of the debt redemption fund, food service fund, and health and safety account of the capital expenditure fund for up to one year prior to the effective date of combination under sections 122.241 to 122.248.

Sec. 3. Minnesota Statutes 1992, section 121.931, subdivision 5, is amended to read:

Subd. 5. [SOFTWARE DEVELOPMENT.] The state board, with the advice of the ~~ESV computer council~~, *commissioner* shall provide for the development of applications software for ESV-IS and SDE-IS. ~~The state board may provide state or federal funds for the development of software for an alternative management information system only if it determines that this system may have statewide applicability. Notwithstanding the foregoing, the state board may, for innovative projects involving computers, approve grants to districts pursuant to title IV of the Elementary and Secondary Education Act of 1965 as amended, or any other appropriate statute. The commissioner may charge school districts or regional organizations for the actual cost of software development used by the district or regional entity. Any amount received is annually appropriated to the department of education for this purpose.~~

Sec. 4. Minnesota Statutes 1992, section 122.243, subdivision 2, is amended to read:

Subd. 2. [VOTER APPROVAL.] A referendum on the question of combination shall be conducted during the first or second year of cooperation for districts that cooperate according to section 122.241, or no more than 18 months before the effective date of combination for districts that do not cooperate. 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 the referendum fails again, the districts shall modify their cooperation and combination plan. A third referendum may be conducted. If a second or third referendum is conducted after October 1, the newly combined district may not levy under section 124.2725 until the following year. Referendums shall be conducted on the same date in all districts.

Sec. 5. Minnesota Statutes 1992, section 124.195, subdivision 9, is amended to read:

Subd. 9. [PAYMENT PERCENTAGE FOR CERTAIN AIDS.] One hundred percent of the aid for the current fiscal year must be paid for the following aids: ~~management information center subsidies, according to section 121.935;~~ reimbursement for transportation to post-secondary institutions, according to section 123.3514, subdivision 8; aid for the program for adults with disabilities, according to section 124.2715, subdivision 2; school lunch aid, according to section 124.646; tribal contract school aid, according to section 124.85; hearing impaired support services aid, according to section 121.201; Indian post-secondary preparation grants according to section 124.481; integration grants according to Laws 1989, chapter 329, article 8, section 14, subdivision 3; and debt service aid according to section 124.95, subdivision 5.

Sec. 6. Minnesota Statutes 1992, section 124.2725, subdivision 2, is amended to read:

Subd. 2. [COOPERATION AND COMBINATION REVENUE.] Cooperation and combination revenue equals, ~~for each resident and nonresident pupil receiving instruction in a cooperating or combined district, \$100 times the actual pupil units served in the district. For purposes of this section, pupil~~

units served means the number of resident and nonresident pupil units in average daily membership receiving instruction in the cooperating or combined district. A district may not receive revenue under this section if it levies under section 124.912, subdivision 4.

Sec. 7. Minnesota Statutes 1992, section 124.2725, subdivision 4, is amended to read:

Subd. 4. [INCREASING LEVY.] (a) For districts that *did not enter into an agreement under section 122.541 at least three years before the date of a successful referendum held under section 122.243, subdivision 2, and that combine without cooperating*, the percentage in subdivision 3, clause (2), shall be:

- (1) 50 percent for the first year of combination; and
- (2) 25 percent for the second year of combination.

(b) For districts that *entered into an agreement under section 122.541 at least one year before the date of a successful referendum held under section 122.243, subdivision 2, and combine without cooperating*, the percentages in subdivision 3, clause (2), shall be:

- (1) 100 percent for the first year of combination;
- (2) 75 percent for the second year of combination;
- (3) 50 percent for the third year of combination; and
- (4) 25 percent for the fourth year of combination.

(c) 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.

(e) (d) 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. 8. Minnesota Statutes 1992, section 124.2725, subdivision 5, is amended to read:

Subd. 5. [COOPERATION AND COMBINATION AID.] (a) Districts that *did not enter into an agreement under section 122.541 at least one year before the date of a successful referendum held under section 122.243, subdivision 2, and combine without cooperating* shall receive cooperation and combination aid for the first two years of combination. Cooperation and combination aid shall not be paid after two years of combining.

(b) *Districts that entered into an agreement under section 122.541 at least one year before the date of a successful referendum held under section 122.243, subdivision 2, and combine without cooperating shall receive cooperation and combination aid for the first four years of combination. Aid must not be paid after four years of combining.*

(c) 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. Aid shall not be paid after three years of combining.

(d) 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. Aid shall not be paid after two years of combining.

(e) In each case, cooperation and combination aid is equal to the difference between the cooperation and combination revenue and the cooperation and combination levy.

Sec. 9. Minnesota Statutes 1992, section 124.2725, subdivision 6, is amended to read:

Subd. 6. [ADDITIONAL AID.] In addition to the aid in subdivision 5, districts shall receive aid according to the following:

(1) for districts that *did not enter into an agreement under section 122.541 at least one year before the date of a successful referendum held under section 122.243, subdivision 2, and combine without cooperating*, \$100 times the actual pupil units served in the district in the first year of combination; or

(2) for districts that combine after one year of cooperation, \$100 times the actual pupil units served in each district for the first year of cooperation, ~~for each resident and nonresident pupil receiving instruction in the cooperating district~~, and \$100 times the actual pupil units served in the combined district for the first year of combination; or

(3) for districts that *entered into an agreement under section 122.541 at least one year before the date of a successful referendum held under section 122.243, subdivision 2, and combine without cooperating*, \$100 times the actual pupil units in each district for the first two years of combination; or

(4) for districts that combine after two years of cooperation, \$100 times the actual pupil units served in each district for the first year of cooperation, ~~for each resident and nonresident pupil receiving instruction in the cooperating district~~, and \$100 times the actual pupil units served in the combined district for the first year of combination.

Sec. 10. Minnesota Statutes 1992, section 124.2725, subdivision 10, is amended to read:

Subd. 10. [REVENUE LIMIT.] Revenue under this section shall not exceed the revenue received by cooperating districts or a combined district with 2,000 actual pupil units served. Revenue for cooperating districts subject to the limitation in this subdivision shall be allocated according to the number of pupil units served in the districts.

Sec. 11. Minnesota Statutes 1992, section 124.2725, subdivision 13, is amended to read:

Subd. 13. ~~[REVENUE FOR EXTENDED COOPERATION ADJUSTMENT.]~~ 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, ~~cooperation and combination revenue shall equal \$50 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 \$50 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 \$50 times the actual pupil units. ~~A district that receives revenue under this subdivision may not also receive revenue according to sections 124.2724 and 124.575.~~

Sec. 12. Minnesota Statutes 1992, section 124.2727, is amended to read:

124.2727 ~~[INTERMEDIATE SCHOOL DISTRICT COOPERATION REVENUE.]~~

Subd. 6. ~~[LEVY AUTHORITY.]~~ (a) For fiscal years prior to fiscal year ~~1996~~ 1995, an intermediate school district may levy, as a single taxing district, according to this paragraph, an amount that may not exceed the greater of:

(1) five-sixths of the levy certified for special education and secondary vocational education for taxes payable in 1989; or

(2) the lesser of (i) \$50 times the actual pupil units in each participating district for the fiscal year to which the levy is attributable, or (ii) 1.43 percent of the adjusted net tax capacity. The levy shall be certified according to section 275.07. Upon such certification, the county auditors shall levy and collect the levies and remit the proceeds of the levy to the intermediate school district. The levies shall not be included in computing the limitation upon the levy of any of the participating districts.

(b) Five-elevenths of the proceeds of the levy shall be used for special education. Six-elevenths of the proceeds of the levy shall be used for secondary vocational education.

(c) When a school district joins or withdraws from an intermediate school district after July 1, 1991, the department of education shall recalculate the levy certified for taxes payable in 1989, for the purpose of determining the levy amount authorized under paragraph (a), clause (1), to reflect the change in membership of the intermediate school district. The department shall recalculate the levy as though the intermediate school district had certified the maximum permitted levy for taxes payable in 1989.

This subdivision expires July 1, ~~1995~~ 1994.

Subd. 6a. ~~[DISTRICT COOPERATION REVENUE.]~~ A district's cooperation revenue is equal to the greater of \$50 times the marginal cost pupil units or \$25,000.

Subd. 6b. ~~[DISTRICT COOPERATION LEVY.]~~ To receive district cooperation revenue, a district may levy an amount equal to the district's

cooperation revenue multiplied by the lesser of one, or the ratio of the quotient derived by dividing the adjusted net tax capacity of the district for the year preceding the year the levy is certified by the marginal cost pupil units in the district for the school year to which the levy is attributable to \$3,500.

Subd. 6c. [DISTRICT COOPERATION AID.] A district's cooperation aid is the difference between its district cooperation revenue and its district cooperation levy. If a district does not levy the entire amount permitted, aid must be reduced in proportion to the actual amount levied.

Subd. 6d. [REVENUE USES.] A district must place its district cooperation revenue in a reserved account and may only use the revenue to purchase goods and services from entities formed for cooperative purposes or to otherwise provide educational services in a cooperative manner.

Subd. 7. [CERTIFICATES OF INDEBTEDNESS.] After a levy has been certified according to subdivision 6, an intermediate school board may issue and sell certificates of indebtedness in anticipation of the collection of levies, but in aggregate amounts that will not exceed the portion of the levies which is then not collected and not delinquent.

Subd. 8. [ADDITIONAL LEVY AUTHORITY.] (a) A district that is a member of intermediate school district No. 287 on July 1, 1993, may levy an additional amount equal to \$17 times the number of marginal cost pupil units in the district for the year the levy is attributable.

(b) A district that is not a member of intermediate school district No. 287 on July 1, 1993, may levy for taxes payable in 1995, \$5 times the number of marginal cost pupil units; for taxes payable in 1996, \$9 times the number of marginal cost pupil units; for taxes payable in 1997, \$13 times the number of marginal cost pupil units and for taxes payable in 1998 and thereafter, \$17 times the number of marginal cost pupil units in the district for the year for which the levy is attributable.

(c) The levy revenue under this subdivision must be used according to subdivision 6d. Of the levy revenue under subdivision 8, paragraph (b), at least 55 percent must be spent on secondary vocational programs.

Sec. 13. Minnesota Statutes 1992, section 124.914, is amended by adding a subdivision to read:

Subd. 4. [1992 OPERATING DEBT.] (a) Each year, a district that has filed a plan pursuant to section 121.917, subdivision 4, may levy to eliminate a deficit in the net unappropriated balance in the general fund of the district, determined as of June 30, 1992, and certified and adjusted by the commissioner. Each year this levy may be an amount not to exceed the greater of:

(1) an amount raised by a levy of a net tax rate of one percent times the adjusted net tax capacity; or

(2) \$100,000.

However, the total amount of this levy for all years it is made shall not exceed the amount of the deficit in the net unappropriated balance in the operating funds of the district as of June 30, 1992. When the cumulative levies made pursuant to this subdivision equal the total amount permitted by this subdivision, the levy shall be discontinued.

(b) A district, if eligible, may levy under this subdivision or subdivision 2 or 3, or under section 122.531, subdivision 4a, or Laws 1992, chapter 499, article 7, sections 16 or 17, but not under more than one.

(c) The proceeds of this levy shall be used only for cash flow requirements and shall not be used to supplement district revenues or income for the purposes of increasing the district's expenditures or budgets.

(d) Any district that levies pursuant to this subdivision shall certify the maximum levy allowable under section 124A.23, subdivision 2, in that same year.

Sec. 14. [124C.60] [CAPITAL FACILITIES AND EQUIPMENT GRANTS FOR COOPERATION AND COMBINATION.]

Subdivision 1. [ELIGIBILITY.] Two or more districts that have a cooperation and combination plan approved by the state board of education under section 122.242, may apply for a grant of up to \$100,000 under this section. The grant must be awarded after the districts combine according to sections 122.241 to 122.248.

Subd. 2. [PROCEDURES.] The state board shall establish procedures and deadlines for the grant application. The state board shall review each application and may require modifications consistent with sections 122.241 to 122.248.

Subd. 3. [USE OF GRANT MONEY.] The grant money may be used for any capital expenditures specified in section 124.243 or 122.244.

Sec. 15. [EDUCATION DISTRICT LEVY ADJUSTMENT FOR FISCAL YEAR 1994.]

Notwithstanding any other law to the contrary, a school district that certified a levy under Minnesota Statutes, section 124.2721, subdivision 3, in 1992 for taxes payable for 1993 may levy in 1993 for taxes payable in 1994 up to an amount equal to:

(1) the difference between \$50 times the actual pupil units for fiscal year 1994 of the education district for which the school district belonged, and the amount of the education district levy calculated according to Minnesota Statutes, section 124.2721, subdivision 3, for fiscal year 1994, times

(2) the ratio of the adjusted net tax capacity of the school district to the adjusted net tax capacity of the education district.

The amount of the levy permitted under this section must be transferred to the education district board under Minnesota Statutes, section 124.2721, subdivision 3a.

Sec. 16. [SECONDARY VOCATIONAL COOPERATIVE LEVY ADJUSTMENT FOR FISCAL YEAR 1994.]

(a) Notwithstanding any other law to the contrary, a school district that certified a levy under Minnesota Statutes, section 124.575, subdivision 3, in 1992 for taxes payable for 1993 may levy in 1993 for taxes payable in 1994 up to an amount equal to:

(1) the difference between \$20 times the actual pupil units for fiscal year 1994 of the secondary vocational cooperative for which the school district belonged, and the amount of the secondary vocational cooperative levy

calculated according to Minnesota Statutes, section 124.575, subdivision 3, for fiscal year 1994, times

(2) the ratio of the adjusted net tax capacity of the school district to the adjusted net tax capacity of the secondary vocational cooperative.

(b) The amount of the levy permitted under this section shall be transferred to the secondary vocational cooperative board according to Minnesota Statutes, section 124.2721, subdivision 3a.

Sec. 17. [FIRST YEAR OF COOPERATION SPECIFIED.]

For the purpose of receiving additional cooperation and combination aid under Minnesota Statutes, section 124.2725, subdivision 6, the first year of cooperation for independent school district Nos. 918, Chandler-Lake Wilson, and 504, Slayton, is fiscal year 1993.

Sec. 18. [REFERENDUM EXCEPTION.]

Notwithstanding Minnesota Statutes, section 122.243, subdivision 2, a referendum on the question of combination may be held in independent school district No. 893, Echo, any time after the state board approves its plan for cooperation and combination.

Sec. 19. [ALTERNATIVE REFERENDUM COMBINATION METHOD.]

(a) Notwithstanding Minnesota Statutes, sections 122.531 and 122.247, subdivision 1, if independent school district Nos. 233, Preston-Fountain, and No. 228, Harmony, consolidate effective July 1, 1995, the referendum revenue authorization for the new district created by that consolidation may be any local tax rate that would raise an amount for the first year that does not exceed the combined dollar amount of the referendum revenues authorized by each of the component districts for fiscal year 1995.

(b) Referendum revenue authorization may be calculated under paragraph (a) only if:

(1) independent school district Nos. 233, Preston-Fountain, and No. 228, Harmony, specify the dollar amount of the referendum revenue authority for the consolidated district and the number of years that the referendum revenue authorization is in effect in the cooperation and combination plan adopted under Minnesota Statutes, section 122.242; and

(2) the referendum information in clause (1) is included in the summary of the plan that is published in the official newspaper of each district under Minnesota Statutes, section 122.242, subdivision 1.

(c) If the dollar amount of referendum revenue authority required under paragraph (b), clause (1), is not available at the time the cooperation and combination plan is submitted to the department of education, the districts may use an estimate calculated by the department.

Sec. 20. [REORGANIZATION-OPERATING DEBT LEVY IN TAYLORS FALLS-CHISAGO LAKES COMBINATION.]

Notwithstanding Minnesota Statutes 1992, section 122.531, subdivision 4a, or any other law to the contrary, any reorganization operating debt levy contained in the approved cooperation and combination plan for independent school district No. 140, Taylors Falls, and independent school district No. 141, Chisago Lakes, may be certified over a period of seven years.

Sec. 21. [RETIRED EMPLOYEE HEALTH BENEFITS LEVY.]

Subdivision 1. Notwithstanding any other law to the contrary, in the consolidated school district consisting in whole or in part of former independent school district No. 692, Babbitt, and independent school district No. 710, St. Louis county, any amount levied under section 124.916, subdivision 2, or any other law to pay the health insurance or unreimbursed medical expenses of retirees of the former independent school district No. 692, may only be certified and spread on property which was taxable in the former independent school district No. 692.

Subd. 2. Any reduction in the levy of the consolidated school district consisting in whole or in part of former independent school district No. 692 and independent school district No. 710 under section 124.918, subdivision 8, must be applied first to the levy in subdivision 1 and then to any remaining levy as provided under section 124.918, subdivision 8.

Sec. 22. [VERDI DISSOLUTION; REFERENDUM REVENUE.]

Notwithstanding Minnesota Statutes, section 122.531, subdivision 2, as of the effective date of the dissolution of independent school district No. 408, Verdi, and the attachment of part of its territory to independent school district No. 404, Lake Benton, the authorization for all referendum revenues previously approved by the voters of school district No. 404, Lake Benton, is the tax rate times the net tax capacity of the enlarged independent school district No. 404. Any new referendum revenue is authorized only after approval is granted by the voters of the entire enlarged district in an election under Minnesota Statutes, section 124A.03, subdivision 2.

Sec. 23. [INTERMEDIATE GOVERNANCE STRUCTURE AND TRANSITION.]

Subdivision 1. [PLAN.] School districts, based on the planning process required under Laws 1992, chapter 499, article 6, section 33, may either purchase goods and services through informal cooperative arrangements or may enter into agreements through Minnesota Statutes, section 471.59, to act cooperatively.

Subd. 2. [TRANSITION.] Any unresolved disputes regarding the allocation of assets and liabilities resulting from the repeal of the enabling legislation for various entities by Laws 1992, chapter 499, article 6, section 39, subdivision 3, or by section 25 and not governed by the applicable agreement or enabling legislation for that entity may be appealed by any party to the dispute to the commissioner of education. The determination of the commissioner shall be final and binding.

Sec. 24. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums indicated in this section are appropriated from the general fund to the department of education for the fiscal years designated.

Subd. 2. [COOPERATION AND COMBINATION AID.] For aid for districts that cooperate and combine according to Minnesota Statutes, section 124.2725:

\$3,516,000 1994

\$3,979,000 1995

The 1994 appropriation includes \$591,000 for 1993 and \$2,925,000 for 1994.

The 1995 appropriation includes \$516,000 for 1994 and \$3,463,000 for 1995.

Subd. 3. [EDUCATIONAL COOPERATIVE SERVICE UNITS.] (a) For educational cooperative service units:

\$733,000 1994

\$110,000 1995

The 1994 appropriation includes \$110,000 for fiscal year 1993 and \$623,000 for fiscal year 1994.

The 1995 appropriation includes \$110,000 for 1993.

Subd. 4. [DISTRICT COOPERATION REVENUE.] For cooperation revenue according to section 12:

\$9,778,000 1995

The 1995 appropriation assumes an entitlement of \$11,503,500 for fiscal year 1995.

Subd. 5. [MANAGEMENT INFORMATION CENTERS.] For management information subsidies:

\$3,275,000 1994

Sec. 25. [REPEALER.]

(a) Minnesota Statutes 1992, sections 124.2721; 124.2725, subdivision 8; 124.2727, subdivisions 6 and 7; and 124.575, subdivisions 2 and 4; 124.912, subdivisions 4 and 5, are repealed. Minnesota Statutes 1990, chapter 136D, as amended, sections 121.935; 122.91 to 122.95; 123.351; and 123.58 expire as of July 1, 1995.

(b) Laws 1992, chapter 499, article 6, section 33, is repealed.

Sec. 26. [EFFECTIVE DATE.]

Sections 3 and 4 are effective July 1, 1994. Section 11 is effective for revenue for fiscal year 1995. Section 21, subdivisions 1 and 2, are effective for taxes payable in 1994 and thereafter. Section 25, paragraph (b), is effective June 30, 1995.

ARTICLE 7

COMMITMENT TO EXCELLENCE

Section 1. [PURPOSE.]

The purpose of this article is to implement the mission of public education in Minnesota as stated below through innovation and systemic restructuring.

The mission of public education in Minnesota, a system for lifelong learning, is to ensure individual academic achievement, an informed citizenry, and a highly productive work force. This system focuses on the learner, promotes and values diversity, provides participatory decision-making, ensures accountability, models democratic principles, creates and sustains a

climate for change, provides personalized learning environments, encourages learners to reach their maximum potential, and integrates and coordinates human services for learners.

Sec. 2. Minnesota Statutes 1992, section 120.105, is amended to read:

120.105 [EDUCATION STATEMENT.]

Each year every school, as defined in section 120.101, subdivision 4, offering a kindergarten program must ensure that the school principal, kindergarten teacher, or other professional, discusses and distributes the following statement to every parent, guardian, or other person enrolling a child in kindergarten:

“The state of Minnesota requires that every child entering kindergarten this school year must graduate from high school or remain in high school or in an alternative program until age 18. Only those who have been accepted in the military or an institution of higher learning can leave school before they are 18 years old.”

The department of education must make appropriate provisions to accommodate those children who newly enroll in a public school after kindergarten. All other schools must make similar provisions. *The principal, teacher, or other professional must also discuss the goals, outcomes, and standards of the school and expectations of all children with the parent.*

Sec. 3. [121.602] [EDUCATIONAL EFFECTIVENESS PROGRAM.]

Subdivision 1. [PROGRAM OUTCOMES.] The outcomes of the educational effectiveness program are to:

- (1) increase meaningful parental involvement in site-based decision making;*
- (2) improve results-oriented instructional processes;*
- (3) create flexible school-based organizational structures; and*
- (4) improve student achievement.*

Subd. 2. [ADVISORY TASK FORCE; PROGRAM IMPLEMENTATION.]

The commissioner of education shall develop and maintain a program of educational effectiveness and results-oriented instruction. The commissioner may appoint an advisory task force to assist the department of education in developing an implementation program for providing staff development to school district staff in educational effectiveness. The program shall be based on established principles of instructional design and the essential elements of effective instruction as determined by educational research. The program shall take into account the diverse needs of the school districts due to such factors as district size and location.

Subd. 3. [EVALUATION AND REPORT.] The commissioner shall annually provide for independent evaluation of the effectiveness of this section. The evaluation shall measure the extent to which the outcomes defined in subdivision 1 are met and the cost effectiveness of any funding for the program. The evaluation shall also determine to what extent the program has a measurable impact on student achievement at the site level.

Subd. 4. [EDUCATIONAL EFFECTIVENESS STAFF DEVELOPMENT.] The department of education shall provide assistance to the school districts in

implementing an educational effectiveness program. In selecting an agency to provide assistance to the school districts, the department shall consider such factors as support of the proposal by the participating school districts and the extent to which the proposal provides for participation by school district staff. The department shall evaluate the performance of the service providers. The staff development shall be facilitated by building level decision-making teams. The staff development shall include clarification of individual school missions, goals, expectations, enhancement of collaborative planning and collegial relationships among the building staff, improvement of curriculum, assessment, instructional and organizational skills, improvement of financial and management skills, and planning of other staff development programs.

Subd. 5. [SCHOOL IMPROVEMENT INCENTIVE GRANTS.] *The state board of education shall develop criteria to provide school improvement incentive grants to schools sites. The criteria must include the extent to which a site has implemented the characteristics of the educational effectiveness program and demonstrated improvement in student achievement of education outcomes. Notwithstanding any law to the contrary, the grant must remain under the control of the site decision-making team or principal at the site and may be used for any purpose determined by the team. A school board may not reduce other funding otherwise due the site. A grant may not exceed \$60,000 per site in any fiscal year.*

Sec. 4. Minnesota Statutes 1992, section 121.612, subdivision 2, is amended to read:

Subd. 2. [CREATION OF FOUNDATION.] *There is created the Minnesota academic excellence foundation. The purpose of the foundation shall be to promote academic excellence in Minnesota public and nonpublic schools and communities through public-private partnerships. The foundation shall be a nonprofit organization. The board of directors of the foundation and foundation activities are under the direction of the state board of education.*

Sec. 5. Minnesota Statutes 1992, section 121.612, subdivision 4, is amended to read:

Subd. 4. [FOUNDATION PROGRAMS.] *The foundation may develop programs that advance the concept of educational excellence. These may include, but are not limited to:*

(a) *recognition programs and awards for students demonstrating academic excellence;*

(b) *summer institute programs for students with special talents;*

(c) *recognition programs for teachers, administrators, and others who contribute to academic excellence;*

(d) *summer mentorship programs with business and industry for students with special career interests and high academic achievements;*

(e) *governor's awards ceremonies and special campaigns to promote awareness and expectation for academic competition achievement; and*

(f) *an academic league to provide organized challenges requiring cooperation and competition for public and nonpublic pupils in elementary and secondary schools;*

(g) *systemic transformation initiatives and assistance and training to community teams to increase school performance in the state's education institutions through strategic quality planning for continuous improvement, empowerment of multiple stakeholders, validation of results via customer-supplier relationships, and a total system approach based on best practices in key process areas; and*

(h) *activities to measure customer satisfaction for delivery of services to education institutions in order to plan for and implement continuous improvement.*

To the extent possible, the foundation shall make these programs available to students in all parts of the state.

Sec. 6. Minnesota Statutes 1992, section 121.87, subdivision 1, is amended to read:

Subdivision 1. [APPOINTMENT; MEMBERSHIP.] The state board of education shall appoint a 15-member community education advisory task force to promote the goals of community education and to expand educational, *interscholastic and intramural athletic*, recreational, and social opportunities through the maximum use of public facilities and community resources throughout the state of Minnesota. The task force shall include at least one member from each congressional district and members who represent government and professions most closely related to community education and youth development activities, functions and school administrative jurisdictions.

Sec. 7. Minnesota Statutes 1992, section 121.88, subdivision 4, is amended to read:

Subd. 4. [DUPLICATION POLICY.] Each council shall adopt a policy to reduce and eliminate program duplication within the district. *The council shall cooperate with local government units to coordinate the program expenditures from the community service fund and to assure equitable access to community service fund resources.*

Sec. 8. Minnesota Statutes 1992, section 121.88, subdivision 10, is amended to read:

Subd. 10. [EXTENDED DAY PROGRAMS.] A school board may offer, as part of a community education program, an extended day program for children ~~from kindergarten through grade 6~~ for the purpose of expanding students' learning opportunities. A program ~~must~~ may include the following:

- (1) adult supervised programs while school is not in session;
- (2) parental involvement in program design and direction;
- (3) partnerships with the K-12 system, and other public, private, or nonprofit entities; and
- (4) opportunities for trained secondary school pupils to work with younger children in a supervised setting as part of a community service program; and
- (5) *cocurricular and extra curricular programs under section 123.38, and other intramural athletic programs.*

The district may charge a sliding fee based upon family income for extended day programs. The district may receive money from other public or

private sources for the extended day program. The school board of the district shall develop standards for school age child care programs *if offered*. Districts with programs in operation before July 1, 1990, must adopt standards before October 1, 1991. All other Districts must adopt standards within one year after the district first offers services under a program authorized by this subdivision. The state board of education may not adopt rules for extended day programs.

Sec. 9. [121.919] [FINANCIAL MANAGEMENT ASSISTANCE AND TRAINING TO SCHOOL DISTRICTS AND SCHOOL SITES.]

The department of education shall make available to school districts and individual school sites assistance and training in financial management. The assistance and training shall be in at least the following areas:

(1) *provision of an updated uniform financial and reporting system manual in both hard copy and computerized form which will be applicable to both the school district and to a school site under site-based management;*

(2) *regularly scheduled training and assistance in accounting and financial operations, and special assistance as requested;*

(3) *long-term financial planning, including that involved with district reorganization;*

(4) *district and school level expenditure and revenue budgeting and other fiscal and organizational requirements, including that under site-based management;*

(5) *assistance with school, district, and regional capital budget planning; and*

(6) *the development of a model reporting system for school sites for resource use and outcome achievement. The model shall include characteristics about the student population, staffing levels, and achievement results attributable to the instructional and organizational structure of the school site.*

Sec. 10. Minnesota Statutes 1992, section 123.33, is amended by adding a subdivision to read:

Subd. 2a. [SCHOOL BOARD MEMBER TRAINING.] *A member must receive training in school finance and management developed in consultation with the Minnesota school boards association and consistent with section 9. The school boards association shall make available to each newly-elected school board member training in school finance and management consistent with section 9 within 180 days of that member taking office. The program shall be developed in consultation with the department of education and appropriate representatives of higher education.*

Sec. 11. Minnesota Statutes 1992, section 123.3514, subdivision 6, is amended to read:

Subd. 6. [FINANCIAL ARRANGEMENTS.] *For a pupil enrolled in a course under this section, the department of education shall make payments according to this subdivision for courses that were taken for secondary credit.*

The department shall not make payments to a school district or post-secondary institution for a course taken for post-secondary credit only.

A ~~public post-secondary system or private post-secondary~~ institution shall receive the following:

(1) for an institution granting quarter credit, the reimbursement per credit hour shall be an amount equal to 88 percent of the product of the formula allowance, multiplied by 1.3, and divided by 45; or

(2) for an institution granting semester credit, the reimbursement per credit hour shall be an amount equal to 88 percent of the product of the general revenue formula allowance, multiplied by 1.3, and divided by 30.

The department of education shall pay to each ~~public post-secondary system and to each private~~ institution 100 percent of the amount in clause (1) or (2) within 30 days of receiving initial enrollment information each quarter or semester. If changes in enrollment occur during a quarter or semester, the change shall be reported by the post-secondary ~~system or~~ institution at the time the enrollment information for the succeeding quarter or semester is submitted. At any time the department of education notifies a post-secondary ~~system or~~ institution that an overpayment has been made, the ~~system or~~ institution shall promptly remit the amount due.

A school district shall receive:

(1) for a pupil who is not enrolled in classes at a secondary school, 12 percent of the formula allowance, according to section 124A.22, subdivision 2, times 1.3; or

(2) for a pupil who attends a secondary school part time, the formula allowance, according to section 124A.22, subdivision 2, times 1.3, times the ratio of the total number of hours the pupil is in membership for courses taken by the pupil for credit, to 1020 hours.

Sec. 12. Minnesota Statutes 1992, section 123.3514, subdivision 6b, is amended to read:

Subd. 6b. [FINANCIAL ARRANGEMENTS, PUPILS AGE 21 OR OVER.] For a pupil enrolled in a course according to this section, the department of education shall make payments according to this subdivision for courses taken to fulfill high school graduation requirements by pupils eligible for adult high school graduation aid.

The department must not make payments to a school district or post-secondary institution for a course taken for post-secondary credit only.

A ~~public post-secondary system or private post-secondary~~ institution shall receive the following:

(1) for an institution granting quarter credit, the reimbursement per credit hour shall be an amount equal to 88 percent of the product of the formula allowance, multiplied by 1.3, and divided by 45; or

(2) for an institution granting semester credit, the reimbursement per credit hour shall be an amount equal to 88 percent of the product of the general revenue formula allowance multiplied by 1.3, and divided by 30.

The department of education shall pay to each ~~public post-secondary system and to each private~~ institution 100 percent of the amount in clause (1) or (2) within 30 days of receiving initial enrollment information each quarter or semester. If changes in enrollment occur during a quarter or semester, the

change shall be reported by the post-secondary system or institution at the time the enrollment information for the succeeding quarter or semester is submitted. At any time the department of education notifies a post-secondary system or institution that an overpayment has been made, the system or institution shall promptly remit the amount due.

A school district shall receive:

(1) for a pupil who is not enrolled in classes at a secondary program, 12 percent of the general education formula allowance times .65, times 1.3; or

(2) for a pupil who attends classes at a secondary program part time, the general education formula allowance times .65, times 1.3, times the ratio of the total number of hours the pupil is in membership for courses taken by the pupil for credit to 1020 hours.

Sec. 13. Minnesota Statutes 1992, section 123.3514, subdivision 6c, is amended to read:

Subd. 6c. [FINANCIAL ARRANGEMENTS FOR COURSES PROVIDED ACCORDING TO AGREEMENTS.] (a) The agreement between a school board and the governing body of a public post-secondary system or private post-secondary institution shall set forth the payment amounts and arrangements, if any, from the school board to the post-secondary institution. No payments shall be made by the department of education according to subdivision 6 or 6b. For the purpose of computing state aids for a school district, a pupil enrolled according to subdivision 4e shall be counted in the average daily membership of the school district as though the pupil were enrolled in a secondary course that is not offered in connection with an agreement. Nothing in this subdivision shall be construed to prohibit a public post-secondary system or private post-secondary institution from receiving additional state funding that may be available under any other law.

(b) *If a course is provided under subdivision 4e, offered at a secondary school, and taught by a secondary teacher, the post-secondary system or institution must not require a payment from the school board that exceeds the cost to the post-secondary institution that is directly attributable to providing that course.*

Sec. 14. Minnesota Statutes 1992, section 123.38, subdivision 2, is amended to read:

Subd. 2. The board shall take charge of and control all cocurricular school activities of the teachers and children of the public schools in that district held in the school building or school grounds or under the supervision or direction of the school board and to that end adopt rules and regulations for the conduct of these activities in which the schools of the district or any class or pupils therein may participate. All money received on account of such activities shall be turned over to the school district treasurer, who shall keep the same in the general community service fund or the technical colleges fund, if applicable, to be disbursed for expenses and salaries connected with the activities, or otherwise, by the board upon properly allowed itemized claims.

No cocurricular activity shall be participated in by the teachers or pupils in the public schools of such district, nor shall the school name or any allied name be used in connection therewith, except by consent and direction of the board.

Sec. 15. Minnesota Statutes 1992, section 123.38, subdivision 2b, is amended to read:

Subd. 2b. (a) The board may take charge of and control all extracurricular activities of the teachers and children of the public schools in the district. Extracurricular 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.

(b) Extracurricular activities have all of the following characteristics:

(1) they are not offered for school credit nor required for graduation;

(2) they are generally conducted outside school hours, or if partly during school hours, at times agreed by the participants, and approved by school authorities;

(3) the content of the activities is determined primarily by the pupil participants under the guidance of a staff member or other adult.

(c) If the board does not take charge of and control extracurricular 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. The *general community service* fund or the technical colleges fund, if applicable, shall reflect only those salaries directly related to and readily identified with the activity and paid by public funds. Other revenues and expenditures for extra curricular activities must be recorded according to the "Manual of Instruction for Uniform Student Activities Accounting for Minnesota School Districts and Area Vocational-Technical Colleges." Extracurricular activities not under board control must have an annual financial audit and must also be audited annually for compliance with this section.

(d) If the board takes charge of and controls extracurricular activities, any or all costs of these activities may be provided from school revenues *in the community service fund* and all revenues and expenditures for these activities shall be recorded in the same manner as other revenues and expenditures of the district.

(e) If the board takes charge of and controls extracurricular 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.

Sec. 16. Minnesota Statutes 1992, section 123.951, is amended to read:

123.951 [SCHOOL SITE ~~MANAGEMENT~~ DECISION-MAKING AGREEMENT.]

(a) A school board may enter into an agreement with a school site ~~management~~ *decision-making* team concerning the governance, management, or control of any school in the district. Upon a written request from a proposed school site ~~management~~ *decision-making* team, an initial school site ~~management~~ *decision-making* team shall be appointed by the school board and may include the school principal, representatives of teachers in the school, representatives of other employees in the school, representatives of parents of pupils in the school, representatives of pupils in the school, representatives of other members in the community, or others determined appropriate by the board. The school site ~~management~~ *decision-making* team shall include the

school principal or other person having general control and supervision of the school.

(b) School site ~~management~~ *decision-making* agreements must ~~focus on creating management~~ *delegate powers and duties to site teams and in involving* involve staff members, students as appropriate, and parents in decision making.

(c) An agreement may include:

(1) ~~a strategic plan for districtwide decentralization of resources developed through staff participation; a mechanism to implement flexible support systems for improvement in student achievement of education outcomes;~~

(2) ~~a decision-making structure that allows teachers to identify instructional problems and control and apply the resources needed to solve them; and~~

(3) ~~a mechanism to allow principals, or other persons having general control and supervision of the school, to make decisions regarding how financial and personnel resources are best allocated and to act as advocates for additional resources on behalf of the entire school at the site and from whom goods or services are purchased;~~

(4) ~~a mechanism to implement parental involvement programs under section 126.69 and to provide for effective parental communication and feedback on this involvement at the site level;~~

(5) ~~a provision that would allow the team to determine who is hired into licensed and nonlicensed positions;~~

(6) ~~a provision that would allow teachers to choose the principal or other person having general control;~~

(7) ~~direct contact with other social service providers;~~

(8) ~~inservice training for site decision-making team members for financial management of school sites; and~~

(9) ~~any other powers and duties determined appropriate by the board.~~

~~The school board of the district remains the legal employer under clauses (5) and (6).~~

(d) Any powers or duties not delegated to the school site management team in the school site management agreement shall remain with the school board.

(e) Approved agreements shall be filed with the commissioner. If a school board denies a request to enter into a school site management agreement, it shall provide a copy of the request and the reasons for its denial to the commissioner.

Sec. 17. Minnesota Statutes 1992, section 124.17, subdivision 1, is amended to read:

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

(a) A prekindergarten pupil with a disability who is enrolled for the entire fiscal year in a program approved by the commissioner and has an individual education plan that requires up to 437 hours of assessment and education services in the fiscal year is counted as one-half of a pupil unit. If the plan

requires more than 437 hours of assessment and education services, the pupil is counted as the ratio of the number of hours of assessment and education service to 875, but not more than one:

(b) A prekindergarten pupil with a disability who is enrolled for less than the entire fiscal year in a program approved by the commissioner is counted as the greater of:

(1) one-half times the ratio of the number of instructional days from the date the pupil is enrolled to the date the pupil withdraws to the number of instructional days in the school year; or

(2) the ratio of the number of hours of assessment and education service required in the fiscal year by the pupil's individual education program plan to 875, but not more than one.

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

(d) A kindergarten pupil with a disability who is enrolled in a program approved by the commissioner is counted as the ratio of the number of hours of assessment and education services required in the fiscal year by the pupil's individual education program plan to 875, but not more than one.

(e) A kindergarten pupil who is not included in paragraph (d) is counted as one-half of a pupil unit.

(f) A pupil who is in any of grades 1 to 6 is counted as one pupil unit.

(g) A pupil who is in any of grades 7 to 12 is counted as 1.3 pupil units.

(h) A pupil who is in the post-secondary enrollment options program is counted as 1.3 pupil units.

Sec. 18. Minnesota Statutes 1992, section 124.17, is amended by adding a subdivision to read:

Subd. 2f. [PSEO PUPILS.] The average daily membership for a student participating in the post-secondary enrollment options program equals the lesser of

(1) 1.00; or

(2) the greater of

(i) .12, or

(ii) the ratio of the number of hours the student is enrolled in the secondary school to the product of the number of days required in section 120.101, subdivision 5b, times the minimum length of day required in Minnesota Rules, part 3500.1500, subpart 1.

Sec. 19. Minnesota Statutes 1992, section 124.19, subdivision 5, is amended to read:

Subd. 5. [SCHEDULE ADJUSTMENTS.] (a) It is the intention of the legislature to encourage efficient and effective use of staff and facilities by school districts. School districts are encouraged to consider both cost and energy saving measures.

(b) Notwithstanding the provisions of subdivision 1 or 4, any district operating a program pursuant to sections 120.59 to 120.67, 121.585 or 125.701 to 125.705, or operating a commissioner-designated area learning center program under section 124C.49, or that otherwise receives the approval of the commissioner to operate its instructional program to avoid an aid reduction in any year, may adjust the annual school schedule for that program throughout the calendar year so long as the number of instructional hours in the year is not less than the number of instructional hours per day specified in the rules of the state board multiplied by the minimum number of instructional days required by subdivision 1.

Sec. 20. Minnesota Statutes 1992, section 124.195, subdivision 10, is amended to read:

Subd. 10. [AID PAYMENT PERCENTAGE.] Except as provided in subdivisions 8, 9, and 11, each fiscal year, all education aids and credits in this chapter and chapters 121, 123, 124A, 124B, 125, 126, 134, and section 273.1392, shall be paid at 90 percent for districts operating a program under section 121.585 for grades 1 to 12 for all students in the district and 85 percent for other districts of the estimated entitlement during the fiscal year of the entitlement, unless a higher rate has been established according to section 121.904, subdivision 4d. The amount of the actual entitlement, after adjustment for actual data, minus the payments made during the fiscal year of the entitlement shall be paid as the final adjustment payment according to subdivision 6.

Sec. 21. Minnesota Statutes 1992, 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 (c), 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 15 percent per year for districts operating a program under section 121.585 for grades 1 to 12 for all students in the district and 12-1/2 percent per year for other districts 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 169.01, subdivision 6, paragraph (c), 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) "Transportation category" means a category of transportation service provided to pupils as follows:

(1) Regular transportation is transportation services provided during the regular school year under section 124.223, subdivisions 1 and 2, excluding the following transportation services provided under section 124.223, subdivision 1: transportation between schools; noon transportation to and from school for kindergarten pupils attending half-day sessions; 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, subdivision 1, that are excluded from the regular category and transportation services provided under section 124.223, subdivisions 3, 4, 5, 6, 7, 8, 9, and 10.

(3) Excess transportation is transportation to and from school during the regular school year 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.

(4) Desegregation transportation is transportation during the regular school year 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.

(5) Handicapped transportation is transportation provided under section 124.223, subdivision 4, for pupils with a disability between home or a respite care facility and school or other buildings where special instruction required by section 120.17 is provided.

(d) "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.

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

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

(g) "Base cost" means the ratio of:

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

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

(h) "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.

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

(j) "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.

(k) "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.

(l) "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 lesser of one or the result in clause (1).

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

(m) "Adjusted predicted base cost" means the predicted base cost as computed in subdivision 3a as adjusted under subdivision 7a.

(n) "Regular transportation allowance" means the adjusted predicted base cost, inflated and adjusted under subdivision 7b.

Sec. 22. Minnesota Statutes 1992, section 124.225, subdivision 10, is amended to read:

Subd. 10. [DEPRECIATION.] Any school district that owns school buses or mobile units shall transfer annually from the undesignated fund balance account in its transportation fund to the reserved fund balance account for bus purchases in its transportation fund at least an amount equal to 15 percent per year for districts operating a program under section 121.585 for grades 1 to 12 for all students in the district and 12-1/2 percent per year for other districts of the original cost of each type one or type two bus or mobile unit until the original cost of each type one or type two bus or mobile unit is fully amortized, plus 20 percent of the original cost of each type three bus included in the district's authorized cost under the provisions of subdivision 1, paragraph (b), clause (4), until the original cost of each type three bus is fully amortized, plus 33-1/3 percent of the cost to the district as of July 1 of each year for school bus reconditioning done by the department of corrections until the cost of the reconditioning is fully amortized; provided, if the district's transportation aid or levy is reduced pursuant to subdivision 8a because the appropriation for that year is insufficient, this amount shall be reduced in proportion to the reduction pursuant to subdivision 8a as a percentage of the district's transportation revenue under subdivision 7d.

Sec. 23. [124.2613] [COMMUNITY COOPERATION REVENUE.]

Subdivision 1. [REVENUE.] Community cooperation revenue is equal to an amount up to \$10 times the number of children in a district 18 years and younger. The revenue is only available to the extent it is matched dollar for dollar by a local unit of government.

Subd. 2. [COMMUNITY COOPERATION LEVY.] A district's community cooperation revenue is equal to the community cooperation revenue times the lesser of one or the ratio of:

(1) the quotient derived by dividing the adjusted net tax capacity of the district for the year before the year the levy is certified by the actual pupil units in the district for the year prior to the year the levy is certified; to

(2) \$3,400.

Subd. 3. [COMMUNITY COOPERATION AID.] Community cooperation aid is equal to the difference between community cooperation revenue and community cooperation levy.

Subd. 4. [REVENUE USE.] Community cooperation revenue must be placed in a district's community service fund and may be used but is not limited to the following community service uses:

(1) expanding academic and social programs under section 121.88, section 10;

(2) subsidize participation in school age child care programs for children from families of low and moderate income;

(3) expand youth community service programs;

(4) improve the coordination of athletics between school districts and communities; and

(5) other relative uses determined by the community education advisory council.

Sec. 24. Minnesota Statutes 1992, section 124.91, subdivision 5, is amended to read:

Subd. 5. [INTERACTIVE TELEVISION.] (a) A school district with its central administrative office located within economic development region one, two, three, four, five, six, seven, eight, nine, and ten may ~~levy~~ apply to the commissioner of education for ITV revenue up to the greater of .5 percent of the adjusted net tax capacity of the district or ~~\$20,000~~ \$25,000 for the construction, maintenance, and lease costs of an interactive television system for instructional purposes. The approval by the commissioner of education and the application procedures set forth in subdivision 1 shall apply to the ~~levy~~ ~~authority~~ revenue in this subdivision. In granting the approval, the commissioner must consider whether the district is maximizing efficiency through peak use and off-peak use pricing structures.

(b) To obtain ITV revenue, a district may levy an amount not to exceed the district's ITV revenue times the lesser of one or the ratio of:

(1) the quotient derived by dividing the adjusted net tax capacity of the district for the year before the year the levy is certified by the actual pupil units in the district for the year prior to the year the levy is certified; to

(2) 100 percent of the equalizing factor as defined in section 124A.02, subdivision 8, for the year to which the levy is attributable.

(c) A district's ITV aid is the difference between its ITV revenue and the ITV levy.

Sec. 25. Minnesota Statutes 1992, section 124.912, is amended by adding a subdivision to read:

Subd. 8. [OUTPLACEMENT LEVY.] Upon the recommendation of a school's mentoring team, a school district may levy the amounts necessary to pay the cost of outplacement services for licensed teachers, including counseling and job search costs.

Sec. 26. Minnesota Statutes 1992, section 124.95, subdivision 3, is amended to read:

Subd. 3. [DEBT SERVICE EQUALIZATION REVENUE.] (a) For fiscal years 1995 and later, the debt service equalization revenue of a district equals the required debt service levy minus the amount raised by a levy of five percent for districts operating a program under section 121.585 for grades 1 to 12 for all students in the district and for other districts of ten percent times the adjusted net tax capacity of the district.

(b) For fiscal year 1993, debt service equalization revenue equals one-third of the amount calculated in paragraph (a).

(c) For fiscal year 1994, debt service equalization revenue equals two-thirds of the amount calculated in paragraph (a).

Sec. 27. Minnesota Statutes 1992, section 124A.23, subdivision 5, is amended to read:

Subd. 5. [USES OF REVENUE.] General education revenue may be used during the regular school year and the summer for general and special school purposes. General education revenue and revenue under section 124A.03 may not be spent directly from the general fund for activities under section 123.38. Notwithstanding section 121.912, subdivision 1, this revenue may be transferred by board resolution to the community service fund for these activities.

Sec. 28. Minnesota Statutes 1992, section 124A.29, subdivision 1, is amended to read:

Subdivision 1. [STAFF DEVELOPMENT, AND VIOLENCE PREVENTION PARENTAL INVOLVEMENT PROGRAMS REVENUE.] (a) Of a district's basic revenue under section 124A.22, subdivision 2, an amount equal to \$15 one percent in fiscal year 1994, two percent in fiscal year 1995, and thereafter times the formula allowance times the number of actual pupil units shall be reserved and may be used only to provide staff time for in-service education for violence prevention programs under section 126.77, subdivision 2, or staff development programs, including outcome-based education, for the purpose of improving student achievement of education outcomes under section 126.70, subdivisions 1 and 2a. The school board shall determine the staff development activities to provide, the manner in which they will be provided, and the extent to which other local funds may be used to supplement staff development activities. The school board shall initially allocate 70 percent of the revenue to each school site in the district on a per teacher basis. The board may retain 15 percent to be used for district wide staff development efforts. The remaining 15 percent of the revenue shall be

used to make grants to school sites that demonstrate exemplary use of allocated staff development revenue. A grant may be used for any purpose determined by the site decision-making team. The site decision-making team must demonstrate to the school board the extent to which staff at the site have met the outcomes of the program. The board may withhold a portion of initial allocation of revenue if the staff development outcomes are not being met.

(b) Of a district's basic revenue under section 124A.22, subdivision 2, an amount equal to \$5 times the number of actual pupil units must be reserved and may be used only to provide parental involvement programs that implement section 126.69. A district may use up to \$1 of the \$5 times the number of actual pupil units for promoting parental involvement in the PER process.

Sec. 29. Minnesota Statutes 1992, section 124A.291, is amended to read:

124A.291 [RESERVED REVENUE FOR ~~CAREER~~ CERTAIN TEACHER PROGRAM.]

A district that has a career teacher program or a mentor-teacher program may reserve part of the basic revenue under section 124A.22, subdivision 2, for the district's share, ~~according to section 124.276,~~ of the portion of the teaching contract that is in addition to the standard teaching contract of the district.

Sec. 30. [124A.292] [STAFF DEVELOPMENT INCENTIVE.]

Subdivision 1. [ELIGIBILITY.] A school site is eligible for revenue under this section if it has implemented an outplacement program on an ongoing basis to counsel staff and has implemented a program according to section 125.231.

Subd. 2. [REVENUE.] Staff development incentive revenue is equal to the number of teachers at the site times \$25.

Subd. 3. [STAFF DEVELOPMENT LEVY.] A district's levy equals its revenue times the lesser of one or the ratio of the district's adjusted net tax capacity per actual pupil unit for the year before the year the levy is certified to the equalizing factor for the school year to which the levy is attributable.

Subd. 4. [STAFF DEVELOPMENT AID.] A district's aid equals its revenue minus its levy times the ratio of the actual amount levied to the permitted levy.

Subd. 5. [USE.] The revenue must be used at the site for staff development purposes.

Sec. 31. Minnesota Statutes 1992, section 124C.48, is amended by adding a subdivision to read:

Subd. 3. [ADDITIONAL AID.] A center shall receive additional state aid equal to \$6.50 times the number of students enrolled at the center.

Sec. 32. Minnesota Statutes 1992, section 125.05, subdivision 1a, is amended to read:

Subd. 1a. [TEACHER AND SUPPORT PERSONNEL QUALIFICATIONS.] (a) The board of teaching shall issue licenses under its jurisdiction to persons the board finds to be qualified and competent for their respective positions.

(b) The board shall require a person to successfully complete an examination of skills in reading, writing, and mathematics before being admitted to a post-secondary teacher preparation program approved by the board if that person seeks to qualify for an initial teaching license to provide direct instruction to pupils in kindergarten, elementary, secondary, or special education programs.

(c) Before admission to a pilot internship program, the board shall require a person to successfully complete an examination of general pedagogical knowledge. Before granting a first continuing license to participants in the pilot projects, the board shall require a person to successfully complete a supervised and assessed internship in a professional development school and an examination of licensure specific teaching skills. The board shall determine effective dates for the examination of general pedagogical knowledge, the internship, and examinations of licensure specific skills.

Sec. 33. Minnesota Statutes 1992, section 125.138, is amended to read:

125.138 [FACULTY EXCHANGE AND TEMPORARY ASSIGNMENT PROGRAM.]

Subdivision 1. [ESTABLISHMENT.] A program of faculty exchange is *collaboration shall be* established to allow school districts and post-secondary institutions to arrange temporary exchanges between members of their instructional staffs placements in each other's institutions. These arrangements must be made on a voluntary cooperative basis between a school district and post-secondary institution, or between post-secondary institutions. Exchanges between post-secondary institutions may occur among campuses in the same system or in different systems.

Subd. 2. [USES OF PROGRAM.] Each participating school district and post-secondary institution may determine the way in which the instructional staff member's time is to be used, but it must be in a way that promotes understanding of the needs of each educational system or institution. For example, a public school teacher educator may teach courses, provide counseling and tutorial services, assist with the preparation of future teachers educators, or take professional development courses. A post-secondary teacher might teach advanced placement courses or other classes to aid an underserved population at the school district, counsel students about future educational plans, or work with teachers to better prepare students for post-secondary education in school administration. Participation need not be limited to one school or institution and may involve other groups including educational cooperative service units.

Subd. 3. [SALARIES; BENEFITS; CERTIFICATION.] Exchanges Temporary placements made under the program must not have a negative effect on participants' salaries, seniority, or other benefits. Notwithstanding sections 123.35, subdivision 6, and 125.04, a member of the instructional staff of a post-secondary institution may teach in an elementary or secondary school or perform a service, agreed upon according to this section, for which a license would otherwise be required without holding the applicable license. In addition, a licensed teacher educator employed by a school district may teach or perform a service, agreed upon according to this section, at a post-secondary institution without meeting the applicable qualifications of the post-secondary institution. A school district is not subject to section 124.19, subdivision 3, as a result of entering into an agreement according to this section that enables a post-secondary instructional staff member educator to

teach or provide services in the district. All arrangements and details regarding the exchange must be mutually agreed to by each participating school district and post-secondary institution before implementation.

Subd. 4. [EDUCATORS' EMPLOYMENT; CONTINUATION.] *An educator who held a temporary position or an exchanged position under section 125.138 shall be continued in or restored to the position previously held, or to a position of like seniority, status, and pay upon return. Retirement benefits under an employer-sponsored pension or retirement plan shall not be reduced because of time spent on an exchange or temporary position under section 125.138.*

Subd. 5. [ENTITLEMENT TO BENEFITS AND POSITION.] *An educator who is continued in or restored to a position in accordance with subdivision 4:*

- (1) shall be continued or restored without loss of seniority; and*
- (2) may participate in insurance or other benefits offered by the employer under its established rules and practices.*

Subd. 6. [GRANTS.] *The department of education shall award grants to public post-secondary teacher preparation programs and school districts that collaborate on staff exchanges or temporary placements. One institution must be identified as the fiscal agent for the grant.*

Subd. 7. [PURPOSE OF THE GRANTS.] *School districts and post-secondary institutions are encouraged to collaborate by allowing educators to exchange positions, team teach, or hold temporary positions of no longer than one academic year in the other's institutions. No loss of salary or benefits shall occur. Grants shall be used to ensure no loss of status, retirement, and insurance benefits.*

Subd. 8. [APPLICATION PROCESS.] *The department of education shall develop and publicize the process by which school districts, the University of Minnesota and its campuses, and the state universities which have teacher and administrator preparation programs may apply for grants.*

Subd. 9. [CRITERIA.] *The department of education shall evaluate proposals using the following criteria:*

- (1) evidence of collaborative arrangements between post-secondary educators and early childhood through grade 12 educators;*
- (2) evidence that outstanding early childhood through grade 12 educators will be involved in post-secondary classes and programs, including presentations, discussions, teaming, and responsibility for teaching some post-secondary courses;*
- (3) evidence that post-secondary educators will have direct experience working in a classroom or school district, including presentations, discussions, teaming, and responsibility for teaching some early childhood through grade 12 classes; and*
- (4) evidence of adequate financial support from employing and receiving institutions.*

Subd. 10. [EVALUATION.] *The department of education shall evaluate the results of the grants provided under subdivision 6 and make recommendations*

to the legislature and governor regarding future funding in the 1995 biennial budget document.

Subd. 11. [GRANT LIMITATIONS; PROPOSALS.] All grants shall be for salary and benefit costs beyond those normally covered by each of the institutions involved in the exchange or temporary assignment. Staff exchanging positions or placed in temporary assignments shall not suffer loss of salary, benefits, or retirement benefits. A grant from the department of education shall cover 50 percent of the excess costs with the remainder of the excess costs shared equally by the school district and the post-secondary institution.

Sec. 34. [125.230] [TEACHING RESIDENCY PROGRAM.]

Subdivision 1. [ESTABLISHMENT.] A school district with a teaching residency plan approved by the board of teaching may hire graduates of approved Minnesota teacher preparation programs as teaching residents. A district shall employ each resident for one school year. The district and the resident may agree to extend the residency for one additional school year. A school may employ no more than one teaching resident for every eight full-time equivalent licensed teachers.

Subd. 2. [TEACHER ELIGIBILITY.] Persons eligible to be hired as teaching residents must have received their initial license no more than two years prior to applying for a residency and must have less than nine months of full-time equivalency teaching experience as a licensed teacher.

Subd. 3. [PROGRAM COMPONENTS.] In order to be approved by the board of teaching, a school district's residency program must at minimum include:

- (1) training to prepare teachers to serve as mentors to teaching residents;*
- (2) a team mentorship approach to expose teaching residents to a variety of teaching methods, philosophies, and classroom environments;*
- (3) ongoing peer coaching and assessment;*
- (4) assistance to the teaching resident in preparing an individual professional development plan that includes goals, activities, and assessment methodologies; and*
- (5) involvement of resource persons from higher education institutions, career teachers, and other community experts to provide local or regional professional development seminars or other structured learning experiences for teaching residents.*

A teaching resident shall not be given direct classroom supervision responsibilities that exceed 80 percent of the instructional time required of a full-time equivalent teacher in the district. During the remaining time, a teaching resident shall participate in professional development activities according to the individual plan developed by the resident in conjunction with the school's mentoring team.

Subd. 4. [EMPLOYMENT CONDITIONS.] A school district shall pay a teaching resident a salary equal to 75 percent of the statewide average salary of a first-year teacher with a bachelor's degree. The resident shall be a member of the local bargaining unit and shall be covered under the terms of the contract, except for salary and benefits, unless otherwise provided in this

subdivision. The school district shall provide health insurance coverage for the resident if the district provides it for teachers, and may provide other benefits upon negotiated agreement.

Subd. 5. [APPLIES TOWARD PROBATIONARY PERIOD.] A teaching residency shall count as one year of a teacher's probationary period under section 125.12, subdivision 3, or section 125.17, subdivision 2. A residency extended for one year shall not count as an additional year under this subdivision.

Subd. 6. [LEARNING AND DEVELOPMENT REVENUE ELIGIBILITY.] A school district with an approved teaching residency program may use learning and development revenue for each teaching resident in kindergarten through grade six. A district also may use the revenue for a paraprofessional who is a person of color enrolled in an approved teacher preparation program. A school district shall not use a teaching resident to replace an existing teaching position.

Subd. 7. [REQUIREMENT FOR LICENSURE.] Beginning with students completing teacher preparation programs in the 1997-1998 school year, successful completion of a teaching residency shall be a requirement for continuing licensure for all newly licensed teachers in Minnesota. The board of teaching shall develop model teaching residency programs, teaching residency outcomes, a statewide assessment to be required of all teaching residents upon completion of a residency, and criteria for mentoring programs. The board shall begin piloting the outcomes, assessments, and mentoring criteria in the 1995-1996 school year.

Sec. 35. 125.231 [TEACHER ASSISTANCE THROUGH MENTORSHIP PROGRAM.]

Subdivision 1. [TEACHER MENTORING PROGRAM PROGRAMS.] School districts are encouraged to participate in a competitive grant program that explores develop teacher mentoring programs for teachers new to the profession or district, or for including teaching residents, teachers with special needs, or experienced teachers in need of peer coaching.

Subd. 2. [TEACHER MENTORING TASK FORCE.] The commissioner board of teaching shall appoint and work with a teacher mentoring task force including representatives of the two teachers unions, the two principals organizations, school boards association, administrators association, board of teaching department of education, parent teacher association, post-secondary institutions, foundations, and the private sector. Representation on the task force by populations of color shall reflect the proportion of people of color in the public schools.

The task force shall:

(1) develop the application forms, criteria, and procedures for the grants for mentorship program programs;

(2) select sites to receive mentorship grant funding; and

(3) provide ongoing support and direction for mentorship program implementation in school districts, including those that do not receive mentorship grants.

Subd. 3. [APPLICATIONS.] The commissioner of education board of teaching shall make application forms available to sites interested in devel-

oping or expanding a mentorship program. A school district, a group of school districts, or a coalition of districts, teachers and teacher education institutions may apply for a teacher mentorship program grant. The ~~commissioner~~ *board of teaching*, in consultation with the teacher mentoring task force, shall approve or disapprove the applications. To the extent possible, the approved applications must reflect effective mentoring components, include a variety of coalitions and be geographically distributed throughout the state. The ~~commissioner of education~~ *board of teaching* shall encourage the selected sites to consider the use of ~~the~~ *its* assessment procedures ~~developed by the board of teaching~~.

Subd. 4. [CRITERIA FOR SELECTION.] At a minimum, applicants must express commitment to:

- (1) allow staff participation;
- (2) assess skills of both beginning and mentor teachers;
- (3) provide appropriate in-service to needs identified in the assessment;
- (4) provide leadership to the effort;
- (5) cooperate with higher education institutions;
- (6) provide facilities and other resources; and
- (7) share findings, materials, and techniques with other school districts.

Subd. 5. [ADDITIONAL FUNDING.] Applicants are required to seek additional funding and assistance from sources such as school districts, post-secondary institutions, foundations, and the private sector.

Subd. 7. [PROGRAM IMPLEMENTATION.] New and expanding mentorship sites that are funded to design, develop, implement, and evaluate their program must participate in activities that support program development and implementation. The ~~department of education~~ *board of teaching* must provide resources and assistance to support new sites in their program efforts. These activities and services may include, but are not limited to: planning, planning guides, media, training, conferences, institutes, and regional and statewide networking meetings. Nonfunded schools or districts interested in getting started may participate in ~~some activities and services~~. Fees may be charged for meals, materials, and the like.

Sec. 36. Minnesota Statutes 1992, section 126.22, subdivision 8, is amended to read:

Subd. 8. [ENROLLMENT VERIFICATION.] (a) For a pupil attending an eligible program full time under subdivision 3, paragraph (d), the department of education shall pay 88 percent of the basic revenue of the district to the eligible program and 12 percent of the basic revenue to the resident district within 30 days after the eligible program verifies enrollment 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.

(b) The department of education shall pay 100 percent of the basic revenue to the eligible program if there is an agreement to that effect between the school district and the eligible program.

Sec. 37. [126.685] [GRADUATION RULE ACCELERATION.]

\$6,500,000 is annually appropriated to the department of education for accelerated development of the state board of education high school graduation rule. Of this amount, \$6,086,000 is from the general fund and \$414,000 is from the special revenue fund. The appropriation is to be used to fund assessment and standards pilot sites; to broaden public understanding of the rule through local public meeting and focus groups, citizens forums, and other general communication; to continue development of curriculum frameworks; for ongoing statewide assessment efforts; and to develop system performance standards. The appropriation from the special revenue fund may be used for development efforts in health-related outcomes. Any amount of this appropriation does not cancel and shall be carried forward to the following fiscal year. Notwithstanding any law to the contrary, the commissioner may contract for national expertise and related services in each of the development areas.

Sec. 38. Minnesota Statutes 1992, section 126.70, is amended to read:

126.70 [STAFF DEVELOPMENT PLAN PROGRAM.]

Subdivision 1. [ELIGIBILITY FOR REVENUE STAFF DEVELOPMENT COMMITTEE.] A school board ~~may~~ shall use the revenue authorized in section 124A.29 for in-service education for ~~violence prevention~~ programs under section 126.77, subdivision 2, or if it establishes a staff development advisory committee and adopts a for staff development plan under this subdivision. *The board must establish a staff development committee to develop the plan, to advise a site decision-making team about the plan, and evaluate staff development efforts at the site level. A majority of the advisory committee must be teachers representing various grade levels and subject areas. The advisory committee must also include parents and administrators. The advisory committee shall develop a staff development plan that includes related expenditures and shall submit the plan to the school board. If the school board approves the plan, the district may use the staff development revenue authorized in section 124A.29. Districts must submit approved plans shall report staff development results to the commissioner in the form and manner determined by the commissioner.*

Subd. 2. [CONTENTS OF THE PLAN.] The plan ~~may~~ must include:

- (1) ~~procedures the district will use to analyze education needs;~~
- (2) ~~methods for integrating education needs with in-service and curricular efforts already in progress;~~
- (3) ~~education goals and outcomes under subdivision 2a, the means to achieve the goals; outcomes and~~
- (4) ~~procedures for evaluating progress at each school site toward meeting education needs and goals outcomes.~~

Subd. 2a. ~~[PERMITTED USES STAFF DEVELOPMENT OUTCOMES.]~~ A school board may approve a *The staff development committee shall adopt a staff development plan to accomplish any of the following purposes for the improvement of student achievement of education outcomes. The plan must be consistent with education outcomes determined by the school board. The plan shall include the following outcomes:*

- (1) foster readiness for learning;
- (2) facilitate organizational changes by enabling a site-based team composed of pupils, parents, school personnel, and community members to address pupils' needs;
- (3) develop programs to increase pupils' educational progress by developing appropriate outcomes and personal learning goals and by encouraging pupils and their parents to assume responsibility for their education;
- (4) design and develop programs containing various instructional opportunities that recognize pupils' individual needs and utilize family and community resources;
- (5) evaluate the effectiveness of education policies, processes, and products through appropriate evaluation procedures that include multiple criteria and indicators;
- (6) provide staff time or mentorship oversight for peer review of probationary, continuing contract, and nonprobationary teachers;
- (7) train elementary and secondary staff to help students learn to resolve conflicts in effective, nonviolent ways; and
- (8) encourage staff to teach and model violence prevention policy and curricula that address issues of sexual and racial harassment; and
- (9) teach elementary and secondary staff to effectively meet the needs of children with disabilities within the regular classroom setting.

Sec. 39. [126...] [SCHOOL RESTRUCTURING PROGRAM.]

Subdivision 1. [...] (a) *The purpose of school district restructuring pilots is to examine practices and organizational structure for improvement of student achievement of education outcomes through site decision-making. A school district may submit an application to the department of education for school district restructuring levy authority. The authority may be for up to \$50 times the number of actual pupil units at the site. The levy is available for the fiscal year for which the pilot receives approval and for the subsequent four years. A district need only apply once for this authority. The actual amount of levy authority given shall depend on the level of power and control delegated to a site under section 123.951. The state board, upon consultation of the education chairs of the legislature, shall determine criteria for measuring this level and allocating the appropriate levy authority. The criteria may include a provision that would allow the site decision-making team to request waivers from the master contract between the school board and the collective bargaining representative in the district. Notwithstanding any law to the contrary, the state board of education and the state board of teaching may grant waivers that would apply only to a single site within the district from any board rule. The levy authority may be increased or decreased by the state board if a district changes implementation of this section. Revenue from the levy must be under the control of local site decision-making team and may be*

used for any purpose determined by the team except that part of the revenue must be used to report to the local community characteristics about education achievement and effective reduction in elementary learner-instructor ratios at the school site. Each school board must communicate the availability of this authority to each school site in the district.

(b) The local levy shall be matched dollar for dollar with state aid. The commissioner shall not approve total levy authority in excess of available state appropriations.

Subd. 2. [REPORT.] The state board shall report on the implementation of this section and learning improvement results to the education committees of the legislature on February 1 of each year. The board shall also develop model reporting forms for districts to use to report to local communities. The board shall develop these forms in consultation with the department and the chairs of the education committees of the legislature.

Sec. 40. [126B.01] [EDUCATION TO EMPLOYMENT TRANSITIONS SYSTEM PURPOSE.]

To better prepare all learners to make transitions between education and employment, a comprehensive system is established to:

(1) assist individuals in planning their futures by providing counseling and information about career opportunities;

(2) integrate opportunities for work-based learning, including occupation-specific apprenticeship programs, into the curriculum;

(3) promote the efficient use of public and private resources by coordinating elementary, secondary, and post-secondary education with related government programs; and

(4) expand educational options available to students through collaborative efforts between secondary institutions, post-secondary institutions, business, industry, labor, and other interested parties.

Sec. 41. [126B.02] [EDUCATION TO EMPLOYMENT TRANSITIONS COUNCIL.]

(a) The education to employment transitions council is established. Members of the council shall include the governor or the governor's designee, the commissioner of education, the commissioner of labor and industry, the commissioner of human services, the commissioner of jobs and training, the chancellor of the community college system, the chancellor of the technical college system, a representative of the higher education coordinating board, the executive director of the state council of vocational technical education, a representative of business, a representative of organized labor, and a representative of Minnesota Technology, Inc.

(b) The council shall:

(1) identify changes that must be made in post-secondary guidance and counselor preparation programs to facilitate workforce development;

(2) identify means of implementing career awareness and counseling at the elementary level, secondary level, and post-secondary level;

(3) ensure that graduation standards are met;

(4) identify means of using labor market forecasting to assist individuals engaged in career counseling;

(5) delineate the role of elementary schools, secondary schools, post-secondary institutions, employers, state agencies, and organized labor in the activities under this article;

(6) develop plans to meet the unique needs of sparsely populated areas in establishing a comprehensive youth apprenticeship program;

(7) develop plans to meet the unique needs of metropolitan areas in establishing a comprehensive youth apprenticeship program;

(8) advise the department of education concerning the implementation of a comprehensive youth apprenticeship program;

(9) approve industry and occupational skill standards recommended by the skills standards committees; and

(10) ensure that the comprehensive youth apprenticeship program established is consistent with state and federal education, labor, and job training policies.

Sec. 42. [126B.03] [COMPREHENSIVE YOUTH APPRENTICESHIP PROGRAM.]

(a) The department of education, under the auspices of the education to employment transitions council, shall establish a comprehensive youth apprenticeship program to better prepare all learners to make transitions between education and employment.

(b) A comprehensive youth apprenticeship program:

(1) includes an organized sequence of career awareness, career information, and career counseling activities, beginning in the elementary grades and progressing through a student's high school years;

(2) is available to high school juniors and seniors who meet the criteria established by a particular apprenticeship program;

(3) provides a continuous curricular sequence that integrates academic and technical preparation with work-based learning, and a year-round employment experience;

(4) provides an industry-approved work-based learning and year-round employment experience;

(5) provides ongoing feedback to the student on the student's performance in both the academic and work-based learning components of the program; and

(6) allows a student to participate in the program for two to four years.

(c) Students participating in a two-year program shall receive a high school diploma and an industry-approved occupational credential, and have the following options: entry-level employment, eligibility for advanced placement in a voluntary apprenticeship program, or admission to a post-secondary institution. Students participating in the four-year program shall receive an associate degree and an industry-approved occupational credential.

Sec. 43. [126B.04] [INDUSTRY AND OCCUPATIONAL SKILLS STANDARDS COMMITTEES.]

(a) The education to employment transitions council shall establish and convene committees to develop and recommend industry and occupational skill standards for the industries in which apprentices are placed.

(b) Committee membership shall consist of industry and trade representatives, employer representatives, and educators familiar with the skills, knowledge, and competencies of the industry. The council shall determine the membership of each committee they establish.

(c) Each committee shall:

(1) establish the terms of each apprenticeship experience including a probationary period;

(2) identify the current and future skill needs of occupations selected for inclusion in the apprenticeship program;

(3) make recommendations on compensation for students participating in the program;

(4) delineate the eligibility criteria that must be met by applicants to a youth apprenticeship program;

(5) identify how a student's abilities will be assessed upon admission to the program, during the program, and at the conclusion of the program;

(6) specify the courses a student must take and the duration and nature of the worksite experience;

(7) determine the components of the training program for industry trainers;

(8) identify job sites for apprenticeships within each industry;

(9) establish competencies that must be demonstrated by student apprentices upon completion of the program;

(10) delineate means of integrating academic and technical preparation into youth apprenticeship programs; and

(11) develop an agreement to be signed by each participant that delineates, at a minimum:

(i) the goals a student must meet as a condition of successfully completing the program;

(ii) the manner in which a student's performance will be evaluated;

(iii) a timetable of program activities;

(iv) services and experiences to be provided by the employer; and

(v) the terms of the apprenticeship experience.

Sec. 44. [126B.05] [PILOT COMPREHENSIVE YOUTH APPRENTICESHIP PROGRAMS.]

The department of education shall award up to five planning and implementation grants to establish comprehensive youth apprenticeship programs. By September 1, 1993, the commissioner of education, with the assistance of the education to employment transitions council, shall establish criteria for

evaluating grant proposals. The criteria established shall include the components outlined in section 42. The commissioner of education shall develop and publicize the grant application process. The education to employment transitions council shall review and comment on the proposals submitted. When the student apprenticeship program is implemented student funding shall be determined according to section 123.3514.

Sec. 45. [126B.06] [GENERAL PROVISIONS.]

(a) All state and federal laws relating to workplace health and safety shall apply to youth apprenticeships.

(b) The employment of a youth apprentice must not displace or cause any reduction in the number of nonovertime hours worked, wages, or benefits of a currently employed worker.

Sec. 46. [SUPERVISORY LICENSURE.]

All administrative and supervisory licensure rules adopted or amended by the state board of education must include outcomes relating to financial management practices of school districts and buildings.

Sec. 47. [COALITION FOR EDUCATION REFORM AND ACCOUNTABILITY.]

Subdivision 1. [ESTABLISHMENT; PURPOSE.] The coalition for educational reform and accountability is established to promote public understanding and support for policies and practices which help achieve world-class education outcomes for Minnesota students to be successful in the 21st century world. The coalition shall give priority to the following activities:

(1) examining methods to reform education funding, specifically the concept of a core curriculum funded entirely by the state;

(2) developing a strategic plan with target dates for the state to accomplish major reform goals and practices;

(3) encouraging and supporting policies to bring about long term systemic change in the state's public schools;

(4) assisting the implementation of various reform and accountability initiatives adopted by the state;

(5) providing annual progress reports on student and system outcomes; and

(6) working with all stakeholder sectors to identify and monitor their respective responsibilities to help students and public education achieve certain objectives.

Subd. 2. [MEMBERSHIP] The coalition shall consist of 24 members and an executive director. The members, appointed by the panel designated in subdivision 3, must include eight people who are directly involved in public education including higher education, eight people who represent state and local governments, and eight people who are public members, including parents, business leaders, labor leaders, government leaders, educators, journalists, and others who have demonstrated a commitment to excellence for Minnesota public schools. Membership terms, compensation, and removal shall be as provided in Minnesota statutes, section 15.059.

Subd. 3. [PANEL.] A panel, composed of one person appointed by the governor, one person appointed by the speaker of the House of Representatives, one person appointed by the subcommittee on committees of the Senate committee on rules and administration, and the commissioner of education, shall appoint the members of the coalition. The panel shall consider gender and racial diversity in the appointments. The commissioner of education shall chair and convene the panel. The panel must make the first appointments to the coalition by September 1, 1993.

Subd. 4. [EXPIRATION.] Notwithstanding Minnesota Statutes, section 15.059, subdivision 5, the coalition expires June 30, 2000.

Sec. 48. [TEACHER COMPENSATION TASK FORCE.]

Subdivision 1. [ESTABLISHED.] A teacher compensation task force is established under the state board of education. The board shall initially organize the task force and prepare any reports to the legislature. The department of education shall assist the board as required.

Subd. 2. [MEMBERSHIP.] The following organizations shall have a member on the task force:

- (1) the state board of education;*
- (2) the state board of teaching;*
- (3) Minnesota school boards association;*
- (4) Minnesota federation of teachers;*
- (5) Minnesota education association;*
- (6) Minnesota business partnership;*
- (7) higher education board;*
- (8) Minnesota association of school administrators;*
- (9) Minnesota secondary principals association;*
- (10) Minnesota elementary principals association;*
- (11) a parent representing students with disabilities;*
- (12) Minnesota congress of parents, teachers, and students; and*
- (13) bureau of mediation services.*

Subd. 3. [PURPOSE AND DUTIES.] The general purpose of the task force is to investigate and identify the changes needed to move from a teacher compensation system based on training and experience to one based on knowledge, skills, and responsibilities. Specifically, the task force must identify the knowledge, skills, and responsibilities needed by teachers to:

- (1) clearly identify, communicate, and measure outcomes at a school site;*
- (2) improve educational instruction to achieve expected outcomes at a school site;*
- (3) evaluate peers and make other related personal decisions at a school site;*
- (4) manage organizational and financial needs at a school site; and*

(5) other duties that would lead to the improvement in the achievement of educational outcomes at either the district level or the school site.

The task force must identify the changes needed in the current organization of school districts, the organization of teacher preparation programs, and laws relating to labor negotiations to meet the general purpose. The task force must identify any changes in state funding, including a replacement of training and experience revenue with a cost-of-living revenue, for a system of compensation based on knowledge, skills, and responsibilities and any transitional changes needed to affect this system. The task force must recommend a timeline for these changes. The task force shall make a preliminary report on February 1, 1994, and a final report on February 1, 1995, to the education committees of the legislature.

Subd. 4. [INTERIM COMPENSATION.] For collective bargaining agreements entered into after July 1, 1995, no teacher defined in section 125.03, subdivision 1, who is hired by a school district under section 125.12, subdivision 2, or section 125.17, after July 1, 1995, may be paid according to a salary schedule based on training and experience. The school district and the collective bargaining representative shall negotiate an alternative method as part of an agreement. For the purpose of this subdivision, the term school district shall include any entity that hires teachers under section 125.12, subdivision 2, or section 125.17.

Sec. 49. [YOUTH COMMUNITY SERVICE.]

Subdivision 1. [HIGHER EDUCATION COORDINATING BOARD.] The higher education coordinating board shall develop a plan for a statewide youth community service program with the assistance of the department of education and other affected state agencies. The plan must provide for a comprehensive full-time youth community service program that is available to youths 17 to 24 years of age, who have received a high school diploma or its equivalent, or agree to attain a high school diploma or its equivalent while participating in the program. Participants in a youth community service program shall perform community service to meet specific unmet community needs, and participate in classroom, work-based, and service learning. Participants must commit to a full-time community service program of six months to two years in length. A participant shall be paid a stipend while participating in the program and shall receive a postservice benefit that may be used for payments toward a student loan, the costs of attending an institution of higher learning, or the costs of participating in a state approved apprenticeship program.

Subd. 2. [GRANT PROGRAM.] The higher education coordinating board shall actively pursue public and private funding sources for the purposes of providing grants for local youth community service programs. A local public or private nonprofit organization is eligible to receive a grant for the purposes of a local youth community service program. The grant funding may be used to pay for the necessary costs of providing a youth community service program, pay a stipend to each participant, and pay a postservice benefit to each participant who successfully completes a youth service program.

Subd. 3. [FEDERAL FUNDS.] The higher education coordinating board shall monitor federal programs for youth community service and apply for federal funds to provide youth community service, work-based learning, or youth education to employment transition programs. The higher education coordinating board shall seek federal funds to establish a demonstration

program with a coalition of Augsburg college, Hennepin county, and the city of Minneapolis neighborhood revitalization program to provide a year-around community service program based on their proposed summer of service model.

Subd. 4. [REPORT.] The higher education coordinating board shall report to the education committees of the legislature by February 1, 1994, on the plan required in subdivision 1, and shall make recommendations for establishing a successful youth community service program.

Sec. 50. [EDUCATION APPROPRIATION ACCOUNTS.]

Notwithstanding any law to the contrary, the education aid appropriation accounts relating to fiscal year 1992 shall remain open on the statewide accounting system, and the commissioner of finance shall transfer amounts among accounts and make transactions as requested by the commissioner of education as necessary to accomplish the retroactive provisions of sections 123.3514, subdivision 6; 124.17, subdivision 1; and 124.17, subdivision 2; and the provisions of section 124.14, subdivision 7 for fiscal year 1992.

Sec. 51. [BOARD OF TEACHING; APPROPRIATIONS.]

Subdivision 1. [BOARD OF TEACHING.] The sums indicated in this section are appropriated from the general fund to the board of teaching in the fiscal years indicated.

Subd. 2. [TEACHER EDUCATION IMPROVEMENT.] For board responsibilities relating to implementation of the teaching residency program:

\$490,000 1994

\$325,000 1995

Any balance in the first year does not cancel but is available in the second year.

Subd. 3. [TEACHER MENTORING PROGRAMS.] For teacher mentoring programs according to section 125.231:

\$340,000 1994

\$340,000 1995

Sec. 52. [APPROPRIATIONS; DEPARTMENT OF EDUCATION.]

Subdivision 1. The sums indicated in this section are appropriated from the general fund to the department of education for the fiscal years indicated.

Subd. 2. [ITV LEVY AID.] For ITV levy aid under section 24:

\$2,681,000 1995

The appropriation anticipates an entitlement of \$3,154,200 for fiscal year 1995.

Subd. 3. [SCHOOL IMPROVEMENT INCENTIVE GRANTS.] For grants to school improvement incentive sites under section 3:

\$250,000 1994

\$250,000 1995

Subd. 4. [STAFF DEVELOPMENT EVALUATION.] *For evaluation of improvement in student achievement of education outcomes from the increase in staff development revenue:*

\$50,000 1995

This appropriation does not cancel.

Subd. 5. [AREA LEARNING CENTER GRANTS.] *For aid for students at area learning centers:*

\$150,000 1994

\$150,000 1995

Subd. 6. [OUTCOME-BASED EDUCATION PROGRAM CONTRACTS.] *For entering into contracts for outcome-based education programs:*

\$575,000 1994

Subd. 7. [ADVANCED PLACEMENT AND INTERNATIONAL BACCALAUREATE PROGRAMS.] *For the state advanced placement and international baccalaureate programs, including training programs, support programs, and examination fee subsidies:*

\$300,000 1994

\$300,000 1995

Subd. 8. [NSF MATH-SCIENCE SYSTEMIC INITIATIVE.] *To meet requirements for a proposal to the National Science Foundation for a systemic initiative in mathematics and science:*

\$1,500,000 1994

\$1,500,000 1995

This appropriation is not contingent upon receiving funding from the National Science Foundation.

Subd. 9. [PARTNERS FOR QUALITY.] *To the Minnesota Academic Excellence Foundation to serve 200 educational institutions in the Minnesota Academic Excellence Foundation's quality initiative:*

\$140,000 1994

\$140,000 1995

Any balance in the first year does not cancel but is available in the second year.

Subd. 10. [EDUCATIONAL EFFECTIVENESS.] *For educational effectiveness programs according to Minnesota Statutes, sections 121.608 and 121.609:*

\$870,000 1994

\$870,000 1995

Subd. 11. [ACADEMIC EXCELLENCE FOUNDATION.] (a) *For the academic excellence foundation according to Minnesota Statutes, section 121.612:*

\$259,000 1994

\$259,000 1995

(b) Up to \$50,000 each year is contingent upon the match of \$1 in the previous year from private sources consisting of either direct monetary contributions or in-kind contributions of 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 1994 does not cancel but is available in 1995. The amount carried forward must not be used to establish a larger annual base appropriation for later fiscal years.

Subd. 12. [SUMMER PROGRAM SCHOLARSHIPS.] For scholarship awards for summer programs according to Minnesota Statutes, section 126.56:

\$250,000 1994

\$250,000 1995

Subd. 13. [SCHOOL RESTRUCTURING GRANTS.] For school restructuring grants under section 39:

\$500,000 1995

This appropriation does not cancel.

Up to \$100,000 of this amount may be used for a grant to a nonstate organization to develop systemic site decision making models.

Subd. 14. [EXCHANGE AND TEMPORARY ASSIGNMENT PROGRAMS.] For faculty exchange, and temporary assignment programs according to Minnesota Statutes, section 125.138:

\$75,000 1994

This appropriation is available until June 30, 1995.

Subd. 15. [DEVELOPMENT AND LEARNING CENTER.] For a grant to study the Minnesota development and learning center proposal:

\$50,000 1994

The study shall include collaborative meetings with the commissioner of education and the coalition for education reform and accountability. The findings of the study shall be reported to the chairs of the education committees by January 1, 1994.

Subd. 16. [COMMUNITY COOPERATION AID.] For community cooperative aid under Minnesota Statutes, section 124.2613:

\$3,500,000 1995

Subd. 17. [STAFF DEVELOPMENT INCENTIVE.] For staff development incentives:

\$100,000 1994

Sec. 53. [REPEALER.]

Minnesota Statutes 1992, sections 121.609; 124A.27, subdivisions 1 to 9; and 125.05, subdivision 1b, are repealed July 1, 1993.

Sec. 54. [EFFECTIVE DATE.]

Sections 11, 17, and 18 are effective retroactive to July 1, 1991, and apply for fiscal years 1992 and thereafter.

ARTICLE 8

OTHER EDUCATION PROGRAMS

Section 1. Minnesota Statutes 1992, section 124.195, subdivision 9, is amended to read:

Subd. 9. [PAYMENT PERCENTAGE FOR CERTAIN AIDS.] One hundred percent of the aid for the current fiscal year must be paid for the following aids: management information center subsidies, according to section 121.935; reimbursement for transportation to post-secondary institutions, according to section 123.3514, subdivision 8; aid for the program for adults with disabilities, according to section 124.2715, subdivision 2; school lunch aid, according to section 124.646; ~~tribal contract school aid, according to section 124.85;~~ hearing impaired support services aid, according to section 121.201; Indian post-secondary preparation grants according to section 124.481; integration grants according to Laws 1989, chapter 329, article 8, section 14, subdivision 3; and debt service aid according to section 124.95, subdivision 5.

Sec. 2. [124.6469] [SCHOOL BREAKFAST PROGRAM.]

Subdivision 1. [PURPOSE.] *The purpose of the school breakfast program is to provide affordable morning nutrition to children so that they can effectively learn.*

Subd. 2. [PROGRAM.] *The state school breakfast program enables schools participating in the federal School Breakfast Program to cover their costs for breakfast.*

Subd. 3. [PROGRAM REIMBURSEMENT.] *State funds are provided to reimburse school breakfasts. Each school year, the state shall reimburse schools in the amount of 5.1 cents for each fully paid breakfast and for each free and reduced price breakfast not eligible for the "severe need" rate.*

Sec. 3. Minnesota Statutes 1992, section 124.916, subdivision 2, is amended to read:

Subd. 2. [RETIRED EMPLOYEE HEALTH BENEFITS.] ~~For taxes payable in 1993 and 1994 only,~~ A school district may levy an amount up to the amount the district is required by the collective bargaining agreement in effect on March 30, 1992, to pay for health insurance or unreimbursed medical expenses for licensed and nonlicensed employees who have terminated services in the employing district and withdrawn from active teaching service or other active service, as applicable, before July 1, 1992. The total amount of the levy each year may not exceed \$300,000.

Notwithstanding section 121.904, 50 percent of the proceeds of this levy shall be recognized in the fiscal year in which it is certified.

Sec. 4. Minnesota Statutes 1992, section 124.916, subdivision 3, is amended to read:

Subd. 3. ~~[MINNEAPOLIS CIVIL SERVICE RETIREMENT LEVIES.]~~ (1) In addition to the excess levy authorized in 1976 any district within a city of the first class which was authorized in 1975 to make a retirement levy under Minnesota Statutes 1974, section 275.127 and chapter 422A may levy an amount per pupil unit which is equal to the amount levied in 1975 payable 1976, under Minnesota Statutes 1974, section 275.127 and chapter 422A, divided by the number of pupil units in the district in 1976-1977.

(2) In 1979 and each year thereafter, any district which qualified in 1976 for an extra levy under clause (1) shall be allowed to levy the same amount as levied for retirement in 1978 under this clause reduced each year by ten percent of the difference between the amount levied for retirement in 1971 under Minnesota Statutes 1971, sections 275.127 and 422.01 to 422.54 and the amount levied for retirement in 1975 under Minnesota Statutes 1974, section 275.127 and chapter 422A.

(3) In 1991 and each year thereafter, a district to which this subdivision applies may levy an additional amount required for contributions to the Minneapolis employees retirement fund as a result of the maximum dollar amount limitation on state contributions to the fund imposed under section 422A.101, subdivision 3. The additional levy shall not exceed the most recent amount certified by the board of the Minneapolis employees retirement fund as the district's share of the contribution requirement in excess of the maximum state contribution under section 422A.101, subdivision 3.

(4) *Special school district No. 1, Minneapolis, and independent school district No. 625, St. Paul, may levy for increased employer retirement contribution costs attributable to changes in contribution rates in Laws 1992, chapter 598, article 5, section 1.*

Sec. 5. Minnesota Statutes 1992, section 125.05, subdivision 1a, is amended to read:

Subd. 1a. [TEACHER AND SUPPORT PERSONNEL QUALIFICATIONS.] (a) The board of teaching shall issue licenses under its jurisdiction to persons the board finds to be qualified and competent for their respective positions.

(b) The board shall require a person to successfully complete an examination of skills in reading, writing, and mathematics before being admitted to a post-secondary teacher preparation program approved by the board if that person seeks to qualify for an initial teaching license to provide direct instruction to pupils in ~~kindergarten~~ *prekindergarten*, elementary, secondary, or special education programs.

(c) Before admission to a pilot internship program, the board shall require a person to successfully complete an examination of general pedagogical knowledge. Before granting a first continuing license to participants in the pilot projects, the board shall require a person to successfully complete a supervised and assessed internship in a professional development school and an examination of licensure-specific teaching skills. The board shall determine effective dates for the examination of general pedagogical knowledge, the internship, and examinations of licensure-specific skills.

Sec. 6. [125.623] [TEACHERS OF COLOR PROGRAM.]

Subdivision 1. [DEFINITION.] For purposes of this section, "people of color" means permanent United States residents who are African-American, American Indian or Alaskan native, Asian or Pacific Islander, or Hispanic.

Subd. 2. [GRANTS.] The commissioner of education in consultation with the state minority councils shall award grants for professional development programs to recruit and educate people of color in the field of education, including early childhood and parent education. Grant applicants must be a school district with a growing minority population working in collaboration with a state institution of higher education with an approved teacher licensure program or an approved early childhood or parent education licensure program.

Subd. 3. [PROGRAM REQUIREMENTS:] (a) A grant recipient shall recruit persons of color to be teachers in elementary, secondary, early childhood or parent education, and provide support in linking program participants with jobs in the recipient's school district.

(b) A grant recipient shall establish an advisory council composed of representatives of communities of color.

(c) A grant recipient, with the assistance of the advisory council, shall recruit high school students and other persons, support them through the higher education application and admission process, advise them while enrolled and link them with support resources in the college or university and the community.

(d) A grant recipient shall award stipends to students of color enrolled in an approved licensure program to help cover the costs of tuition, student fees, supplies, and books. Stipend awards must be based on a student's financial need and students must apply for any additional financial aid they are eligible for to supplement this program. No more than ten percent of the grant may be used for costs of administering the program. Students must agree to teach in the grantee school district for at least two years after licensure. If the district has no licensed positions open, the student may teach in another district in Minnesota.

(e) The commissioner of education shall consider the following criteria in awarding grants:

(1) whether the program is likely to increase the recruitment and retention of students of color in teaching;

(2) whether grant recipients will recruit paraprofessionals from the district to work in its schools; and

(3) whether grant recipients will establish or have a mentoring program for students of color.

Sec. 7. Minnesota Statutes 1992, section 275.48, is amended to read:

275.48 [ADDITIONAL TAX LEVIES IN CERTAIN MUNICIPALITIES.]

When by virtue of chapter 278, sections 270.07, 375.192, or otherwise, the net tax capacity of a city, township or school district for a taxable year is reduced after the taxes for the year have been spread by the county auditor, and when the local tax rate determined by the county auditor based on the original net tax capacity is applied on the reduced net tax capacity and does not produce the full amount of taxes actually levied and certified for that

taxable year on the original net tax capacity, the city, township or school district may include an additional amount in its tax levy made following final determination and notice of the reduction in net tax capacity. The amount shall equal the difference between the total amount of taxes actually levied and certified for that taxable year upon the original net tax capacity, not exceeding the maximum amount which could be raised on the net tax capacity as reduced, within existing local tax rate limitations, if any, and the amount of taxes collected for that taxable year on the reduced net tax capacity. The total tax levy authorized for a school district by this section *may also include an amount equal to any interest paid on the abatement refunds. The levy for a school district shall be reduced by the total amount of any abatement adjustments received by the district pursuant to section 124.214, subdivision 2, in the same calendar year in which the levy is certified. As part of the certification required by section 124.918, subdivision 1, the commissioner of education shall certify the amount of the abatement levy limitation adjustment for each school district headquartered in that county.*

Except for school districts, the amount of taxes so included shall be levied separately and shall be levied in addition to all limitations imposed by law; and further shall not result in any penalty in the nature of a reduction in state aid of any kind.

Sec. 8. Minnesota Statutes 1992, section 475.61, subdivision 3, is amended to read:

Subd. 3. [IRREVOCABILITY.] Tax levies so made and filed shall be irrevocable, except as provided in this subdivision.

In each year when there is on hand any excess amount in the debt redemption fund of a school district at the time the district makes its property tax levies, the amount of the excess shall be certified by the school board to the ~~county auditor~~ *commissioner. The commissioner shall report the amount of the excess to the county auditor and the auditor shall reduce the tax levy otherwise to be included in the rolls next prepared by the amount certified. The commissioner shall prescribe the form and calculation to be used in computing the excess amount. The school board may, with the approval of the commissioner, retain the excess amount if it is necessary to ensure the prompt and full payment of the obligations and any call premium on the obligations, or will be used for redemption of the obligations in accordance with their terms. The school board may, with the approval of the commissioner, specify a tax levy in a higher amount if necessary because of anticipated tax delinquency or for cash flow needs to meet the required payments from the debt redemption fund.*

If the governing body, including the governing body of a school district, in any year makes an irrevocable appropriation to the debt service fund of money actually on hand or if there is on hand any excess amount in the debt service fund, the recording officer may certify to the county auditor the fact and amount thereof and the auditor shall reduce by the amount so certified the amount otherwise to be included in the rolls next thereafter prepared.

Sec. 9. [ONAMIA PUPILS ENROLLING IN A NONPUBLIC SCHOOL LOCATED ON A RESERVATION.]

Subdivision 1. [EARLY RETIREMENT LEVY.] Independent school district No. 480, Onamia, may certify a levy in 1993 for taxes payable in 1994 and in 1994 for taxes payable in 1995 for the cost of early retirement.

incentives for licensed and nonlicensed employees who retire early as a result of resident pupils enrolling in a nonpublic school located on a reservation.

Subd. 2. [UNEMPLOYMENT AID.] Unemployment aid shall be paid to independent school district No. 480, Onamia, in an amount equal to the total cost to the district in fiscal years 1994 and 1995 of unemployment benefits under Minnesota Statutes, chapter 268, for teachers placed on unrequested leave and for nonlicensed staff whose positions are discontinued as a result of resident pupils enrolling in a nonpublic school located on a reservation.

Subd. 3. [SPECIAL AID FOR AT-RISK PUPILS.] Independent school district No. 480, Onamia, shall receive special aid for at-risk pupils equal to the actual expenditures under programs provided to resident pupils who are enrolled in a nonpublic school on a reservation and who:

- (1) have a disability, as defined in Minnesota Statutes, section 120.03, or
- (2) meet one or more of the criteria specified under Minnesota Statutes, section 123.709, subdivision 1, clauses (1) to (14).

Sec. 10. [RED WING LEVY.]

Independent school district No. 256, Red Wing, may levy up to \$500,000 to purchase the Towerview campus of the Red Wing/Winona technical college. The district may levy this amount over a three-year period beginning with the levy payable in 1994.

Sec. 11. [EMPLOYER-PAID HEALTH INSURANCE.]

Subdivision 1. [PUBLIC EMPLOYEES.] A school district, intermediate school district, or joint vocational technical district formed under Minnesota Statutes, sections 136C.60 to 136C.69, shall provide employer-paid hospital, medical, and dental benefits to a person who:

- (1) is eligible for employer-paid insurance under collective bargaining agreements or personnel plans in effect on the day before the effective date of this section;
- (2) has at least 25 years of combined service credit in any Minnesota public pension plans other than volunteer firefighter plans;
- (3) has at least as many months of service with the current employer as the number of months younger than age 65 the person is at the time of retirement;
- (4) upon retirement is immediately eligible for a retirement annuity if the person is a member of a defined benefit plan;
- (5) is at least 55 and not yet 65 years of age; and
- (6) in the case of a school district employee, retires on or after May 15, 1993, and before July 21, 1993; and in the case of an employee of another employer in this subdivision, retires on or after July 1, 1993, and before October 1, 1993.

Subd. 2. [CONDITIONS; COVERAGE.] For purposes of this section, a person retires when the person terminates active employment and applies for retirement benefits. The retired employee is eligible for single and dependent coverages and employer payments to which the person was entitled immediately before retirement, subject to any changes in coverage and employer and employee payments through collective bargaining or personnel plans, for

employees in positions equivalent to the position from which the employee retired. The retired employee is not eligible for employer-paid life insurance. Eligibility ceases when the retired employee attains the age of 65, or when the employee chooses not to receive the retirement benefits for which the employee has applied, or when the employee is eligible for employer-paid health insurance from a new employer. Coverages must be coordinated with relevant health insurance benefits provided through the federally sponsored Medicare program.

Subd. 3. [RULE OF 90.] An employee who retires under this section using the rule of 90 must not be included in the calculations required by Minnesota Statutes, section 356.85.

Subd. 4. [APPLICATION OF OTHER LAWS.] Unilateral implementation of this section by a public employer is not an unfair labor practice for purposes of Minnesota Statutes, chapter 179A. The authority provided in this section for an employer to pay health insurance costs for certain retired employees is not subject to the limits in Minnesota Statutes, section 179A.20, subdivision 2a.

Subd. 5. [SCHOOL DISTRICT LEVY.] A school district may levy the amount necessary to make employer contributions for insurance for retired employees under this section. Notwithstanding Minnesota Statutes, section 121.904, 50 percent of the amount levied must be recognized as revenue for the fiscal year in which the levy is certified. This levy must not be considered in computing the aid reduction under Minnesota Statutes, section 124.155. If a school district levies according to this section, it may not also levy according to Minnesota Statutes, section 122.531, subdivision 9, for eligible employees.

Sec. 12. Laws 1991, chapter 265, article 1, section 30, is amended to read:

Sec. 30. [BADGER SCHOOL DISTRICT FUND BALANCE.]

If independent school district No. 676, Badger, receives payment of delinquent property taxes from one taxpayer and the payment is more than five percent of the total property taxes paid in the fiscal year in which the payment is received, general education revenue for the district shall not be reduced according to Minnesota Statutes, section 124A.26, subdivision 1, for an excess fund balance attributed to the payment for the following two five fiscal years.

Sec. 13. Laws 1991, chapter 256, article 8, section 14, as amended by Laws 1992, chapter 499, article 7, section 14, is amended to read:

Sec. 14. [NONOPERATING FUND TRANSFERS.]

By June 30, 1992, and by June 30, 1993, a school district may permanently transfer money from the capital expenditure facilities or equipment accounts and from the debt redemption fund, to the extent the transferred money is not needed for principal and interest payments on bonds outstanding at the time of transfer, to the transportation fund, capital expenditure fund, or the debt redemption fund. A transfer may not be made from the capital expenditure facilities or equipment accounts that results in a deficit account balance in either account or a deficit in the combined account balance for facilities and equipment as of June 30, 1992, or as of June 30, 1993. No levies and no state aids shall be reduced as a result of a transfer. Each district transferring money from the capital expenditure facilities or equipment accounts shall report to

the commissioner of education on each transfer. A district may not transfer money from the debt redemption fund to the capital expenditure fund or to the transportation fund without prior approval from the commissioner of education. The commissioner shall approve a transfer from the debt redemption fund only if: (1) the district retired its bonded indebtedness during fiscal year 1992 or 1993 or an earlier fiscal year and the district's general education levy was not reduced under Minnesota Statutes, section 475.61, subdivision 4, for taxes payable in 1993, or an earlier year, or (2) the district's 1991 payable 1992 or 1992 payable 1993 debt service levy was reduced to zero according to Minnesota Statutes, section 475.61, subdivision 3. The commissioner of education shall report to the chairs of the education funding divisions of the house of representatives and the senate the aggregate transfers, by fund, made by school districts.

Sec. 14. [FUND TRANSFERS.]

Subdivision 1. [SPRINGFIELD.] Notwithstanding Minnesota Statutes, sections 121.912 and 121.9121 or other law, independent school district No. 85, Springfield, may permanently transfer a total of up to \$600,000, as necessary, from its general fund to its capital expenditure fund before July 1, 1995.

Subd. 2. [REMER-LONGVILLE.] Notwithstanding Minnesota Statutes, section 121.912, subdivision 1, or any other law to the contrary, independent school district No. 118, Remer-Longville, may permanently transfer \$125,000 in fiscal year 1993 from the bus purchase account to the capital expenditure fund without making a levy reduction.

Subd. 3. [HOLDINGFORD.] Notwithstanding Minnesota Statutes, sections 121.912, 121.9121, and 475.61, subdivision 4, or any other law, on June 30, 1993, independent school district No. 738, Holdingford, may permanently transfer up to \$51,000 from its debt redemption fund to its general fund.

Subd. 4. [MANKATO.] Notwithstanding Minnesota Statutes, section 124.2713, subdivision 8, or any other law to the contrary, independent school district No. 77, Mankato, may expend up to \$250,000 from the community service fund for the purpose of removing architectural barriers from the Lincoln community center to provide access to persons with disabilities.

Subd. 5. [ST. MICHAEL-ALBERTVILLE.] Notwithstanding Minnesota Statutes, section 121.912, subdivision 1, or any other law to the contrary, independent school district No. 885, St. Michael-Albertville, may permanently transfer up to \$105,000 in fiscal year 1993 from its debt redemption fund to the capital expenditure equipment fund.

Subd. 6. [SARTELL.] Notwithstanding Minnesota Statutes, sections 121.912, 121.9121, and 475.61, subdivision 4, or any other law, on June 30, 1993, independent school district No. 748, Sartell, may permanently transfer any amount not currently needed from its debt redemption fund to the building construction fund.

Subd. 7. [GLENCOE.] Notwithstanding Minnesota Statutes, sections 121.912 and 121.9121 or other law, independent school district No. 422, Glencoe, may permanently transfer a total of up to \$100,000, as necessary, from its early childhood family education fund to its capital expenditure facilities fund before July 1, 1994.

Subd. 8. [COLD SPRING.] *Notwithstanding Minnesota Statutes, sections 121.912, 121.9121, and 475.61, subdivision 4, or any other law, on June 30, 1993 independent school district No. 750, Cold Spring, may permanently transfer an amount not to exceed \$66,000 from its debt redemption fund to the transportation fund.*

Subd. 9. [GRYGLA.] *Notwithstanding Minnesota Statutes 1992, section 121.912, subdivision 1, or any other law to the contrary, on June 30, 1993, independent school district No. 447, Grygla, may permanently transfer an amount not to exceed \$100,000 from its debt redemption fund to the capital expenditure fund.*

Subd. 10. [PLUMMER.] *Notwithstanding Minnesota Statutes, sections 121.912, 121.9121, and 475.61, subdivision 4, or any other law, on June 30, 1993, independent school district No. 628, Plummer, may permanently transfer \$31,295 from its debt redemption fund to the transportation fund.*

Subd. 11. [KARLSTAD.] *Notwithstanding Minnesota Statutes, sections 121.912, 121.9121, and 475.61, subdivision 4, or any other law, on June 30, 1993, independent school district No. 2358, Karlstad, may permanently transfer any amount not currently needed from the debt redemption fund to the general fund without making a levy reduction.*

Sec. 15. [BOARD OF TEACHING APPROPRIATION.]

Subdivision 1. [BOARD OF TEACHING.] *The sums indicated in this section are appropriated from the general fund to the board of teaching in the fiscal year indicated.*

Subd. 2. [FELLOWSHIP GRANTS.] (a) *For fellowship grants to highly qualified minorities seeking alternative preparation for licensure:*

\$125,000 1994

\$125,000 1995

(b) *Of this appropriation, \$25,000 each year is for alternative preparation for licensure in early childhood or parent education.*

(c) *A grant must not exceed \$5,000 with one-half paid each year for two years. Grants must be awarded on a competitive basis by the board. Grant recipients must agree to remain as teachers in the district for two years if they satisfactorily complete the alternative preparation program and if their contracts as probationary teachers are renewed.*

Sec. 16. [MINNESOTA HUMANITIES COMMISSION APPROPRIATION.]

Subdivision 1. [MINNESOTA HUMANITIES COMMISSION.] *The sums indicated in this section are appropriated from the general fund to the Minnesota humanities commission in the fiscal year indicated.*

Subd. 2. [TEACHING INSTITUTE.] *For teacher seminars:*

\$500,000 1994

\$500,000 1995

Every dollar of grant money appropriated under this section must be matched by one dollar of nonstate money. The amounts appropriated under this section may not be used for administrative expenditures. The money is for

the Minnesota Institute for the Advancement of Teaching to conduct up to 36 one-week-long noncredit residential seminars annually for Minnesota's K-12 teachers. The seminars must be interdisciplinary, employ varied methods of teaching and learning, incorporate community resources in a creative and instructive manner, and be dedicated to the professional development of K-12 teachers. The money is also for the institute to begin an alumni program to assist teachers who have attended the seminars to provide programs for teachers in their districts who cannot attend the residential seminars. The humanities commission may seek and accept private sector money for the institute to supplement these appropriations.

Sec. 17. [MINNESOTA CENTER FOR ARTS EDUCATION APPROPRIATION.]

Subdivision 1. [ARTS CENTER.] The sums indicated in this section are appropriated from the general fund to the Minnesota center for arts education in the fiscal year designated:

\$437,000 1994

\$471,000 1995

Of the fiscal year 1994 appropriation, \$275,000 is to fund artist and arts organization participation in the education residency project, \$75,000 is for school support for the residency project, and \$87,000 is for further development of the partners: arts and school for students (PASS) program, including pilots. Of the fiscal year 1995 appropriation, \$265,000 is to fund artist and arts organizations participation in the education residency project, \$75,000 is for school support for the residency project, and \$121,000 is to fund the PASS program, including additional pilots. The guidelines for the education residency project and the pass program shall be developed and defined by the Minnesota arts board. The Minnesota arts board shall participate in the review and allocation process. The center for arts education shall cooperate with the Minnesota arts board to fund these projects.

Sec. 18. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums in this section are appropriated, unless otherwise indicated, from the general fund to the department of education for the fiscal years designated.

Subd. 2. [ABATEMENT AID.] For abatement aid according to Minnesota Statutes, section 124.214:

\$7,334,000 1994

\$7,567,000 1995

The 1994 appropriation includes \$902,000 for 1993 and \$6,432,000 for 1994.

The 1995 appropriation includes \$1,135,000 for 1994 and \$6,432,000 for 1995.

Subd. 3. [INTEGRATION GRANTS.] For grants to districts implementing desegregation plans mandated by the state board:

\$17,313,000 1994

\$17,313,000 1995

\$1,513,600 each year must be allocated to independent school district No. 709, Duluth; \$8,503,800 each year must be allocated to special school district No. 1, Minneapolis; and \$7,295,600 each year must be allocated to independent school district No. 625, St. Paul. As a condition of receiving a grant, each district must continue to report its costs according to the uniform financial accounting and reporting system. As a further condition of receiving a grant, each district must submit a report to the chairs of the education committees of the legislature about the actual expenditures it made for integration using the grant money. These grants may be used to transport students attending a nonresident district under Minnesota Statutes, section 120.062, to the border of the resident district. A district may allocate a part of the grant to the transportation fund for this purpose.

Subd. 4. [NONPUBLIC PUPIL AID.] For nonpublic pupil education aid according to Minnesota Statutes, sections 123.931 to 123.947:

\$9,623,000 1994

\$9,696,000 1995

The 1994 appropriation includes \$1,333,000 for 1993 and \$8,290,000 for 1994.

The 1995 appropriation includes \$1,463,000 for 1994 and \$8,233,000 for 1995.

Subd. 5. [SCHOOL LUNCH AND FOOD STORAGE AID.] (a) For school lunch aid according to Minnesota Statutes, section 124.646, and Code of Federal Regulations, title 7, section 210.17, and for food storage and transportation costs for United States Department of Agriculture donated commodities; and for a temporary transfer to the commodity processing revolving fund to provide cash flow to permit schools and other recipients of donated commodities to take advantage of volume processing rates and for school milk aid according to Minnesota Statutes, section 124.648:

\$6,525,000 1994

\$6,525,000 1995

(b) Any unexpended balance remaining from the appropriations in this subdivision shall be prorated among participating schools based on the number of free, reduced, and fully paid federally reimbursable student lunches served during that school year.

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

(d) Any temporary transfer processed in accordance with this subdivision to the commodity processing fund will be returned by June 30 in each year so that school lunch aid and food storage costs can be fully paid as scheduled.

(e) Not more than \$800,000 of the amount appropriated each year may be used for school milk aid.

Subd. 6. [APPROPRIATIONS FOR SCHOOL DISTRICTS.] For grants to certain school districts:

\$121,450 1994

\$165,286 1995

\$51,450 in 1994 and \$95,286 in 1995, are for grants to independent school district No. 480, Onamia, for the purposes of section 9.

\$20,000 in 1994 and \$20,000 in 1995 are for grants to independent school district No. 707, Nett Lake, to pay insurance premiums under Minnesota Statutes, section 466.06.

\$30,000 in 1994 and \$30,000 in 1995 are for grants to independent school district No. 707, Nett Lake, for the payment of obligations of the school district for unemployment compensation. The appropriation must be paid to the appropriate state agency for such purposes in the name of the school district.

Subd. 7. [CAREER TEACHER AID.] For career teacher aid according to Minnesota Statutes, section 124.276:

\$500,000 1994

Any unexpended balance remaining in the first year does not cancel but is available in the second year.

Notwithstanding Minnesota Statutes 1989 Supplement, section 124.276, subdivision 2, the aid 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.

Subd. 8. [MINORITY TEACHER INCENTIVES.] For minority teacher incentives:

\$1,000,000 1994

Any unexpended balance remaining in 1994 does not cancel but is available in 1995.

Subd. 9. [TEACHERS OF COLOR PROGRAM.] For grants to school districts for the teachers of color program:

\$250,000 1994

\$250,000 1995

Of this appropriation, \$75,000 each fiscal year shall be for educating people of color to be early childhood and parent educators.

Subd. 10. [SCHOOL BREAKFAST.] To operate the school breakfast program:

\$200,000 1994

\$200,000 1995

If the appropriation amount attributable to either year is insufficient, the rate of payment for each student breakfast shall be reduced and the aid for that year shall be prorated among participating schools so as not to exceed the total authorized appropriation for that year. Any unexpected balance remaining shall be used to subsidize the payments made for school lunch aid per Minnesota Statutes, section 124.646.

Subd. 11. [INTERNET; APPROPRIATION.]

To provide statewide access to INTERNET for elementary and secondary schools:

\$200,000 1994

\$200,000 1995

Subd. 12. [EDUCATION IN AGRICULTURE LEADERSHIP COUNCIL.] For operating expenses of the Minnesota education in agriculture leadership council.

\$50,000 1994

Any balance in the first year does not cancel but is available in the second year.

Subd. 13. [MALE RESPONSIBILITY.] For matching grants to school districts to develop programs on male responsibility for sexual behavior:

\$50,000 1994

Grants may be awarded to school districts or other community-based organizations to develop pilot programs. Recipients must match each grant dollar for dollar from nonstate sources.

The commissioner of education shall develop and disseminate criteria for the awarding of the grants by September 1, 1993.

This appropriation does not lapse but is available for fiscal year 1995.

Sec. 19. [EFFECTIVE DATE.]

Section 7 is effective July 1, 1993, and applies for the first time to levies for 1993 taxes payable in 1994.

ARTICLE 9

MISCELLANEOUS

Section 1. Minnesota Statutes 1992, section 120.064, subdivision 1, is amended to read:

Subdivision 1. [PURPOSES.] (a) The purpose of this section is to:

- (1) improve pupil learning;*
- (2) increase learning opportunities for pupils;*
- (3) encourage the use of different and innovative teaching methods;*
- (4) require the measurement of learning outcomes and create different and innovative forms of measuring outcomes;*
- (5) establish new forms of accountability for schools; or*
- (6) create new professional opportunities for teachers, including the opportunity to be responsible for the learning program at the school site.*

(b) This section does not provide a means to keep open a school that otherwise would be closed. Applicants in these circumstances bear the burden of proving that conversion to an outcome-based school fulfills a purpose specified in this subdivision, independent of the school's closing.

Sec. 2. Minnesota Statutes 1992, section 120.064, subdivision 3, is amended to read:

Subd. 3. [SPONSOR.] (a) A school board may sponsor ~~an~~ *one or more* outcome-based ~~school~~ *schools*.

(b) A school board may authorize a maximum of ~~two~~ *five* outcome-based schools. No more than a total of ~~eight~~ *20* outcome-based schools may be authorized. The state board of education shall advise potential sponsors when the maximum number of outcome-based schools has been authorized.

Sec. 3. Minnesota Statutes 1992, section 120.064, subdivision 4, is amended to read:

Subd. 4. [FORMATION OF SCHOOL.] (a) A sponsor may authorize one or more licensed teachers under section 125.05, subdivision 1, to ~~form and~~ operate an outcome-based school subject to approval by the state board of education. *If a school board elects not to sponsor an outcome-based school, the applicant may appeal the school board's decision to the state board of education if two members of the school board voted to sponsor the school. If the state board authorizes the school, the state board shall sponsor the school according to this section. The teachers school shall organize be organized and operate a school operated as a cooperative under chapter 308A or nonprofit corporation under chapter 317A.*

(b) Before a ~~teacher~~ *the operators* may ~~begin~~ to form and operate a school, the sponsor must file an affidavit with the state board of education stating its intent to authorize an outcome-based school. The affidavit must state the terms and conditions under which the sponsor would authorize an outcome-based school. The state board must approve or disapprove the sponsor's proposed authorization within 30 days of receipt of the affidavit. Failure to obtain state board approval precludes a sponsor from authorizing the outcome-based school that was the subject of the affidavit.

(c) The ~~teachers~~ *operators* authorized to organize and operate a school shall hold an election for members of the school's board of directors *in a timely manner after the school is operating*. ~~All~~ Any staff members who are employed at the school, *including teachers providing instruction under a contract with a cooperative*, and all parents of children enrolled in the school may participate in the election. Licensed teachers employed at the school, *including teachers providing instruction under a contract with a cooperative*, must be a majority of the members of the board of directors. *A provisional board may operate before the election of the school's board of directors.*

(d) ~~The sponsor's authorization for an outcome-based school shall be in the form of a written contract signed by the sponsor and the board of directors of the outcome-based school.~~

Sec. 4. Minnesota Statutes 1992, section 120.064, is amended by adding a subdivision to read:

Subd. 4b. [CONVERSION OF EXISTING SCHOOLS.] *A school board may convert one or more of its existing schools to outcome-based schools under this section if 90 percent of the full-time teachers at the school sign a petition seeking conversion. The conversion must occur at the beginning of an academic year.*

Sec. 5. Minnesota Statutes 1992, section 120.064, subdivision 5, is amended to read:

Subd. 5. [CONTRACT.] *The sponsor's authorization for an outcome-based school shall be in the form of a written contract signed by the sponsor and the board of directors of the outcome-based school. The contract for an outcome-based school shall be in writing and contain at least the following:*

- (1) a description of a program that carries out one or more of the purposes in subdivision 1;
- (2) specific outcomes pupils are to achieve under subdivision 10;
- (3) admission policies and procedures;
- (4) management and administration of the school;
- (5) requirements and procedures for program and financial audits;
- (6) how the school will comply with subdivisions 8, 13, 15, and 21;
- (7) assumption of liability by the outcome-based school;
- (8) types and amounts of insurance coverage to be obtained by the outcome-based school; and
- (9) the term of the contract which may be up to three years.

Sec. 6. Minnesota Statutes 1992, section 120.064, subdivision 8, is amended to read:

Subd. 8. [REQUIREMENTS.] (a) An outcome-based school shall meet ~~the same all applicable state and local health and safety requirements required of a school district.~~

(b) The school must be located in ~~Minnesota~~ *the sponsoring district, unless another school board agrees to locate an outcome-based school sponsored by another district in its boundaries. Its specific location may not be prescribed or limited by a sponsor or other authority except a zoning authority.*

(c) The school must be nonsectarian in its programs, admission policies, employment practices, and all other operations. A sponsor may not authorize an outcome-based school or program that is affiliated with a nonpublic sectarian school or a religious institution.

(d) The primary focus of the school must be to provide a comprehensive program of instruction for at least one grade or age group from five through 18 years of age. Instruction may be provided to people younger than five years and older than 18 years of age.

(e) The school may not charge tuition.

(f) The school is subject to and shall comply with chapter 363 and section 126.21.

(g) The school is subject to and shall comply with the pupil fair dismissal act, sections 127.26 to 127.39, and the Minnesota public school fee law, sections 120.71 to 120.76.

(h) The school is subject to the same financial audits, audit procedures, and audit requirements as a school district. The audit must be consistent with the requirements of sections 121.901 to 121.917, except to the extent deviations

are necessary because of the program at the school. The department of education, state auditor, or legislative auditor may conduct financial, program, or compliance audits.

(i) The school is a school district for the purposes of tort liability under chapter 466.

Sec. 7. Minnesota Statutes 1992, section 120.064, subdivision 9, is amended to read:

Subd. 9. [ADMISSION REQUIREMENTS.] The school may limit admission to:

- (1) pupils within an age group or grade level;
- (2) people who are eligible to participate in the high school graduation incentives program under section 126.22; *or*
- (3) ~~pupils who have a specific affinity for the school's teaching methods, the school's learning philosophy, or a subject such as mathematics, science, fine arts, performing arts, or a foreign language; or~~
- (4) residents of a specific geographic area ~~if where~~ the percentage of the population of non-Caucasian people in the ~~geographic~~ of that area is greater than the percentage of the non-Caucasian population in the congressional district in which the geographic area is located, *and as long as the school reflects the racial and ethnic diversity of that the specific area.*

The school shall enroll an eligible pupil who submits a timely application, unless the number of applications exceeds the capacity of a program, class, grade level, or building. In this case, pupils shall be accepted by lot.

The school may not limit admission to pupils on the basis of intellectual ability, measures of achievement or aptitude, or athletic ability.

Sec. 8. Minnesota Statutes 1992, section 120.064, subdivision 11, is amended to read:

Subd. 11. [EMPLOYMENT AND OTHER OPERATING MATTERS.] ~~The school's board of directors~~ *school* shall employ ~~and or~~ contract with necessary teachers, as defined by section 125.03, subdivision 1, who hold valid licenses to perform the particular service for which they are employed in the school. ~~The board~~ *school* may employ necessary employees who are not required to hold teaching licenses to perform duties other than teaching and may contract for other services. ~~The board~~ *school* may discharge teachers and nonlicensed employees.

The board of directors also shall decide matters related to the operation of the school, including budgeting, curriculum and operating procedures.

Sec. 9. Minnesota Statutes 1992, section 120.064, subdivision 18, is amended to read:

Subd. 18. [DISSEMINATE INFORMATION.] *The sponsor, the operators, and the department of education must disseminate information to the public, directly and through sponsors, on how to form and operate an outcome-based school and how to utilize the offerings of an outcome-based school. Particular groups to be targeted include low-income families and communities, and students of color.*

Sec. 10. Minnesota Statutes 1992, section 120.064, subdivision 21, is amended to read:

Subd. 21. [CAUSES FOR NONRENEWAL OR TERMINATION.] (a) The duration of the contract with a sponsor shall be for the term contained in the contract according to subdivision 5. The sponsor, ~~subject to state board of education approval,~~ may or may not renew a contract at the end of the term for any ground listed in paragraph (b). A sponsor ~~or the state board~~ may unilaterally terminate a contract during the term of the contract for any ground listed in paragraph (b). At least 60 days before not renewing or terminating a contract, the sponsor, ~~or the state board if the state board is acting to terminate a contract,~~ shall notify the board of directors of the school of the proposed action in writing. The notice shall state the grounds for the proposed action in reasonable detail and that the school's board of directors may request in writing an informal hearing before the sponsor ~~or the state board~~ within 14 days of receiving notice of nonrenewal or termination of the contract. Failure by the board of directors to make a written request for a hearing within the 14-day period shall be treated as acquiescence to the proposed action. Upon receiving a timely written request for a hearing, the sponsor ~~or the state board~~ shall give reasonable notice to the school's board of directors of the hearing date. The sponsor ~~or the state board~~ shall conduct an informal hearing before taking final action. The sponsor shall take final action to renew or not renew a contract by the last day of classes in the school year. *If the sponsor is a local school board, the school's board of directors may appeal the sponsor's decision to the state board of education.*

(b) A contract may be terminated or not renewed upon any of the following grounds:

(1) failure to meet the requirements for pupil performance contained in the contract;

(2) failure to meet generally accepted standards of fiscal management;

(3) for violations of law; or

(4) other good cause shown.

If a contract is terminated or not renewed, the school shall be dissolved according to the applicable provisions of chapter 308A or 317A.

Sec. 11. Minnesota Statutes 1992, section 120.101, subdivision 5, is amended to read:

Subd. 5. [AGES AND TERMS.] For the 1988-1989 school year and the school years thereafter, every child between seven and 16 years of age shall receive instruction for at least ~~170 the number of days each year required under subdivision 5b.~~ For the 2000-2001 school year and later school years, every child between seven and 18 years of age shall receive instruction for at least ~~170 the number of days each year required under subdivision 5b.~~ Every child under the age of seven who is enrolled in a half-day kindergarten, or a full-day kindergarten program on alternate days, or other kindergarten programs shall receive instruction at least equivalent to ~~170 half days half of each day for the number of days each year set out in subdivision 5b.~~ Except as provided in subdivision 5a, a parent may withdraw a child under the age of seven from enrollment at any time.

Sec. 12. Minnesota Statutes 1992, section 120.101, subdivision 5b, is amended to read:

Subd. 5b. [INSTRUCTIONAL DAYS.] Every child required to receive instruction according to subdivision 5 shall receive instruction for at least ~~the number of 170 days through the 1994-1995 school year, and for later years, at least the number of days per school year required~~ in the following schedule:

- (1) 1995-1996, 172;
- (2) 1996-1997, 174;
- (3) 1997-1998, 176;
- (4) 1998-1999, 178;
- (5) 1999-2000, 180;
- (6) 2000-2001, 182;
- (7) 2001-2002, 184;
- (8) 2002-2003, 186;
- (9) 2003-2004, 188; and
- (10) 2004-2005, and later school years, 190.

Sec. 13. Minnesota Statutes 1992, section 120.102, subdivision 1, is amended to read:

Subdivision 1. [REPORTS TO SUPERINTENDENT.] The person in charge of providing instruction to a child shall submit the following information to the superintendent of the district in which the child resides:

- (1) by October 1 of each school year, the name, age, and address of each child receiving instruction;
- (2) the name of each instructor and evidence of compliance with one of the requirements specified in section 120.101, subdivision 7;
- (3) an annual instructional calendar showing that instruction will occur *on* at least ~~170 the number of days required under section 120.101, subdivision 5b;~~ and
- (4) for each child instructed by a parent who meets only the requirement of section 120.101, subdivision 7, clause (6), a quarterly report card on the achievement of the child in each subject area required in section 120.101, subdivision 6.

Sec. 14. Minnesota Statutes 1992, section 121.16, subdivision 1, is amended to read:

Subdivision 1. The department shall be under the administrative control of the commissioner of education which office is established. The commissioner shall be the secretary of the state board. The commissioner shall be appointed by the state board with the approval of the governor under the provisions of section 15.06. ~~For purposes of section 15.06, the state board is the appointing authority.~~

The commissioner shall be a person who possesses educational attainment and breadth of experience in the administration of public education and of the

finances pertaining thereto commensurate with the spirit and intent of this code. Notwithstanding any other law to the contrary, the commissioner may appoint two deputy commissioners who shall serve in the unclassified service. The commissioner shall also appoint other employees as may be necessary for the organization of the department. The commissioner shall perform such duties as the law and the rules of the state board may provide and be held responsible for the efficient administration and discipline of the department. The commissioner shall make recommendations to the board and be charged with the execution of powers and duties which the state board may prescribe, from time to time, to promote public education in the state, to safeguard the finances pertaining thereto, and to enable the state board to carry out its duties.

Sec. 15. Minnesota Statutes 1992, section 122.23, subdivision 18, is amended to read:

Subd. 18. (a) The county auditor shall determine a date, not less than 20 nor more than 60 days from the date that the order setting the effective date of the consolidation according to subdivision 13 was issued, upon which date shall be held a special election in the district for the purpose of electing a board of six members for terms as follows: two until the July 1 one year after the effective date of the consolidation, two until the expiration of one year from said July 1, and two until the expiration of two years from said July 1, to hold office until a successor is elected and qualifies according to provisions of law governing the election of board members in independent districts. If the resolution or petition for consolidation pursuant to subdivision 2 proposed that the board of the newly created district consists of seven members, then seven members shall be elected at this election for the terms provided in this clause except that three members shall hold office until the expiration of two years from said July 1. If the resolution or petition for consolidation pursuant to subdivision 2 proposed the establishment of separate election districts, these members shall be elected from separate election districts according to the provisions of that resolution or petition and of chapter 205A.

(b) The county auditor 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 proposed new district, one weeks' published notice shall be given. The notice shall specify the time, place, and purpose of the election.

(c) Any person desiring to be a candidate for a school election shall file an application with the county auditor to have the applicant's name placed on the ballot for such office, specifying the term for which the application is made. The application shall be filed not less than 12 days before the election.

(d) The county auditor shall prepare, at the expense of the county, necessary ballots for the election of officers, placing thereon the names of the proposed candidates for each office. The ballots shall be marked and signed as official ballots and shall be used exclusively at the election. The county auditor shall determine the number of voting precincts and the boundaries of each. The county auditor shall determine the location of polling places and the hours the polls shall be open and shall appoint three election judges for each polling place who shall act as clerks of election. Election judges shall certify ballots and results to the county auditor for tabulation and canvass.

(e) After making a canvass and tabulation, the county auditor shall issue a certificate of election to the candidate for each office who received the largest number of votes cast for the office. The county auditor shall deliver such

certificate to the person entitled thereto by certified mail, and each person so certified shall file an acceptance and oath of office with the county auditor within 30 days of the date of mailing of the certificate. A person who fails to qualify prior to the time specified shall be deemed to have refused to serve, but such filing may be made at any time before action to fill vacancy has been taken.

(f) The board of each district included in the new enlarged district shall continue to maintain school therein until the effective date of the consolidation. Such boards shall have power and authority only to make such contracts, to do such things as are necessary to maintain properly the schools for the period prior to that date, and to certify to the county auditor according to levy limitations applicable to the component districts the taxes collectible in the calendar year when the consolidation becomes effective.

(g) It shall be the immediate duty of the newly elected board of the new enlarged district, when the members thereof have qualified and the board has been organized, to plan for the maintenance of the school or schools of the new district for the next school year; to enter into the necessary negotiations and contracts for the employment of personnel, purchase of equipment and supplies, and other acquisition and betterment purposes, when authorized by the voters to issue bonds under the provisions of chapter 475; and on the effective date of the consolidation to assume the full duties of the care, management and control of the new enlarged district. The board of the new enlarged district shall give due consideration to the feasibility of maintaining such existing attendance centers and of establishing such other attendance centers, especially in rural areas, as will afford equitable and efficient school administration and assure the convenience and welfare of the pupils residing in the enlarged district. The obligations of the new board to teachers employed by component districts shall be governed by the provisions of section 122.532. *The obligations of the new board to nonlicensed employees employed by component districts is governed by subdivision 18a.*

Sec. 16. Minnesota Statutes 1992, section 122.23, is amended by adding a subdivision to read:

Subd. 18a. [NONLICENSED EMPLOYEES.] (a) As of the effective date of a consolidation of two or more districts or parts of them, each nonlicensed employee employed by an affected district must be assigned to the newly created district.

(b) As of the effective date of a consolidation, any employee organization may petition the commissioner of the bureau of mediation services for a certification election under chapter 179A. An organization certified as the exclusive representative for nonlicensed employees in a particular preexisting district continues as the exclusive representative for those particular employees for a period of 90 days from the effective date of a consolidation. If a petition for representation of nonlicensed employees is filed within 90 days, an exclusive representative for those particular nonlicensed employees continues as the exclusive representative until the bureau of mediation services certification proceedings are concluded.

(c) The terms and conditions of employment of nonlicensed employees assigned to the newly created district are temporarily governed by contracts executed by an exclusive representative for a period of 90 days from the effective date of the consolidation. If a petition for representation is filed with the bureau of mediation services within the 90 days, the contractual terms and

conditions of employment for those nonlicensed employees who were governed by a preexisting contract continue in effect until the bureau of mediation services proceedings are concluded and, if an exclusive representative has been elected, until successor contracts are executed between the board of the newly created district and the new exclusive representative. The terms and conditions of employment of nonlicensed employees assigned to the newly created district who were not governed by a collective bargaining agreement at the time of the consolidation are governed by the policies of the board of the newly created district.

(d) The date of first employment in the newly created district is the date on which services were first performed by the employee in the preexisting district. Any sick leave, vacation time, or severance pay benefits accumulated under policies of the preexisting district or contracts between the exclusive representatives and the board of the preexisting district continue to apply in the newly created district to the employees of the preexisting districts, subject to any maximum accumulation limitations negotiated in a successor contract. Future leaves of absence, vacations, or other benefits to be accumulated in the newly created district are governed by board policy or by contract between the exclusive representative of an appropriate unit of employees and the board of the newly created district. The board of the newly created district shall provide, to transferred nonlicensed employees, open enrollment in all insurance plans with no limit on preexisting conditions.

Sec. 17. Minnesota Statutes 1992, section 122.895, subdivision 2, is amended to read:

Subd. 2. [APPLICABILITY.] This section applies to:

- (1) an education district organized according to sections 122.91 to 122.95;
- (2) a cooperative vocational center organized according to section 123.351;
- (3) a joint powers district or board organized according to section 471.59 which employs teachers to provide instruction;
- (4) a joint vocational technical district organized according to sections 136C.60 to 136C.69;
- (5) an intermediate district organized according to chapter 136D; and
- (6) an educational cooperative service unit which employs teachers to provide instruction; and
- (7) school districts participating in an agreement for the cooperative provision of special education services to children with disabilities according to section 120.17, subdivision 4.

Sec. 18. Minnesota Statutes 1992, section 122.895, is amended by adding a subdivision to read:

Subd. 2a. [AGREEMENTS FOR COOPERATIVE SPECIAL EDUCATION.] (a) Upon the termination of an agreement according to section 120.17, subdivision 4, a teacher employed to provide special education services by a school district participating in the agreement will be afforded rights to employment by other school districts according to subdivisions 3, 4, and 5. Nonlicensed employees of a participating district employed to provide special education services will, upon the agreement's termination, be afforded

rights to employment by other participating districts according to subdivision 8.

(b) Upon a school district's withdrawal from the cooperative provision of special education under an agreement according to section 120.17, subdivision 4, a teacher employed to provide special education services by a participating district will be afforded rights to employment by other school districts according to subdivisions 3, 6, and 7. Nonlicensed employees of a participating district employed to provide special education services will be afforded rights to employment by the withdrawing district according to subdivision 9.

Sec. 19. Minnesota Statutes 1992, section 123.34, subdivision 9, is amended to read:

Subd. 9. [SUPERINTENDENT.] All districts maintaining a classified secondary school shall employ a superintendent who shall be an ex officio nonvoting member of the school board. The authority for selection and employment of a superintendent shall be vested in the school board in all cases. An individual employed by a school board as a superintendent shall have an initial employment contract for a period of time no longer than three years from the date of employment. Any subsequent employment contract must not exceed a period of three years. A school board, at its discretion, may or may not renew an employment contract. *An employment contract between a superintendent and a school board may not include a provision extending the term of the contract beyond the date specified in the contract or be amended while the contract is in force in a manner that would extend the term of the contract beyond the date specified in the contract. If a contract between a school board and a superintendent is terminated prior to the date specified in the contract, the school board may not enter into another contract with that same individual that has a term that extends beyond the date specified in the terminated contract.* A school board may terminate a superintendent during the term of an employment contract for any of the grounds specified in section 125.12, subdivision 6 or 8. A superintendent shall not rely upon an employment contract with a school board to assert any other continuing contract rights in the position of superintendent under section 125.12. Notwithstanding the provisions of sections 122.532, 122.541, 125.12, subdivision 6a or 6b, or any other law to the contrary, no individual shall have a right to employment as a superintendent based on order of employment in any district. If two or more school districts enter into an agreement for the purchase or sharing of the services of a superintendent, the contracting districts have the absolute right to select one of the individuals employed to serve as superintendent in one of the contracting districts and no individual has a right to employment as the superintendent to provide all or part of the services based on order of employment in a contracting district. The superintendent of a district shall perform the following:

(1) visit and supervise the schools in the district, report and make recommendations about their condition when advisable or on request by the board;

(2) recommend to the board employment and dismissal of teachers;

(3) superintend school grading practices and examinations for promotions;

(4) make reports required by the commissioner of education; and

(5) perform other duties prescribed by the board.

Sec. 20. Minnesota Statutes 1992, section 124.19, subdivision 1, is amended to read:

Subdivision 1. [INSTRUCTIONAL TIME.] Every district shall maintain school in session or provide instruction in other districts for at least ~~170~~ 175 days through the 1994-1995 school year and the number of days required in ~~section 120.101~~, subdivision 5b 1b thereafter, not including summer school, or the equivalent in a district operating a flexible school year program. A district that holds school for the required minimum number of days and is otherwise qualified is entitled to state aid as provided by law. If school is not held for the required minimum number of days, state aid shall be reduced by the ratio that the difference between the required number of days and the number of days school is held bears to the required number of days, multiplied by 60 percent of the basic revenue, as defined in section 124A.22, subdivision 2, of the district for that year. However, districts maintaining school for fewer than the required minimum number of days do not lose state aid (1) if the circumstances causing loss of school days below the required minimum number of days are beyond the control of the board, (2) if proper evidence is submitted, and (3) if a good faith attempt is made to make up time lost due to these circumstances. The loss of school days resulting from a lawful employee strike shall not be considered a circumstance beyond the control of the board. Days devoted to meetings authorized or called by the commissioner may not be included as part of the required minimum number of days of school. For grades 1 to 12, days devoted to parent-teacher conferences, teachers' workshops, or other staff development opportunities as part of the required minimum number of days must not exceed five days through the 1994-1995 school year and for subsequent school years the difference between the number of days required in subdivision 1b and the number of instructional days required in subdivision 5b. For kindergarten, days devoted to parent-teacher conferences, teachers' workshops, or other staff development opportunities as part of the required minimum number of days must not exceed twice the number of days for grades 1 to 12.

Sec. 21. Minnesota Statutes 1992, section 144.4165, is amended to read:

144.4165 [TOBACCO PRODUCTS PROHIBITED IN PUBLIC SCHOOLS.]

No person shall at any time smoke ~~or use any other~~, *chew, or otherwise ingest tobacco or a tobacco product* in a public school, as defined in section 120.05, subdivision 2. This prohibition extends to all facilities, whether owned, rented, or leased, and all vehicles that a school district owns, leases, rents, contracts for, or controls. This prohibition does not apply to a technical college. *Nothing in this section shall prohibit the lighting of tobacco by an adult as a part of a traditional Indian spiritual or cultural ceremony. For purposes of this section, an Indian is a person who is a member of an Indian tribe as defined in section 257.351, subdivision 9.*

Sec. 22. Minnesota Statutes 1992, section 609.685, subdivision 3, is amended to read:

Subd. 3. [PETTY MISDEMEANOR.] Whoever ~~uses~~ *smokes, chews, or otherwise ingests*, purchases, or attempts to purchase tobacco or tobacco related devices and is under the age of 18 years is guilty of a petty misdemeanor. This subdivision does not apply to a person under the age of 18

years who purchases or attempts to purchase tobacco or tobacco related devices while under the direct supervision of a responsible adult for training, education, research, or enforcement purposes.

Sec. 23. Minnesota Statutes 1992, section 609.685, is amended by adding a subdivision to read:

Subd. 5. [EXCEPTION.] Notwithstanding subdivision 2, an Indian may furnish tobacco to an Indian under the age of 18 years if the tobacco is furnished as part of a traditional Indian spiritual or cultural ceremony. For purposes of this subdivision, an Indian is a person who is a member of an Indian tribe as defined in section 257.351, subdivision 9.

Sec. 24. [INDEPENDENT SCHOOL DISTRICT NO. 206, ALEXANDRIA; ELECTIONS.]

Notwithstanding Laws 1987, chapter 96, relating to the beginning of the term of office for newly elected board members, the terms of office for newly elected board members of independent school district No. 206, Alexandria, begin and end as provided for in Minnesota Statutes, section 205A.04, subdivision 1.

Sec. 25. [EXEMPTIONS; EIGHT-PERIOD SCHEDULE.]

(a) Notwithstanding Minnesota Statutes, sections 120.101, subdivision 5; 120.66; 121.585; 124.19, subdivisions 1, 4, 6, and 7; 124C.46, subdivision 3; 126.12, subdivision 1; or any other law to the contrary, independent school district No. 279, Osseo, may adopt for the 1993-1994, 1994-1995, and 1995-1996 school years an alternating eight-period schedule for secondary school students composed of four 85-minute periods per day held on alternating school days. The purpose of the alternating eight-period schedule is to enable the school district to temporarily meet its increasing needs for additional space due to enrollment increases at the secondary level. The new schedule must not change district curricular offerings, transportation schedules, the length of employees' workday, or extracurricular activities. The district must offer registered secondary students the opportunity to enroll in a minimum of five classes in an eight-period schedule.

(b) The district may adopt the eight-period schedule without loss of state aid if the district meets the requirements of paragraph (a). The commissioner of education, in consultation with the district, shall determine the minimum number of instructional hours so that the district is eligible for the full amount of general education revenue.

(c) The district may adopt the eight-period schedule only upon school board resolution following a public hearing. Notice of the hearing must be published in the official newspaper at least one week in advance.

(d) Any student affected by the eight-period schedule is exempt from the enrollment options program deadline in Minnesota Statutes, section 120.062.

(e) The district, with the assistance of the department of education, shall conduct a study of the impact of the eight-period schedule on student performance. At minimum, the district and the department shall assess a sample group of students at any secondary school using the eight-period schedule and compare that group to a sample group of students at a secondary school not covered by paragraph (a). The district shall conduct a survey of students and parents on the effectiveness of the eight-period

schedule. The department shall evaluate the financial impact of the eight-period schedule. The district shall make a preliminary report on the effectiveness of the eight-period schedule to the legislature by January 15, 1995, and a final report by January 15, 1997.

Sec. 26. [SPECIAL EFFECTIVE DATE AND APPLICABILITY TO THE TODD - OTTER TAIL - WADENA SPECIAL EDUCATION COOPERATIVE.]

Sections 17 and 18 apply to the Todd - Otter Tail - Wadena special education cooperative and its participating school districts: independent school district No. 543, Deer Creek; independent school district No. 545, Henning; independent school district No. 549, Perham-Dent; independent school district No. 553, New York Mills; independent school district No. 786, Bertha-Hewitt; independent school district No. 818, Verndale; independent school district No. 819, Wadena; independent school district No. 820, Sebeka; and independent school district No. 821, Menahga, and are effective the day following their final enactment. If the board of any participating school district has given notice of intent to withdraw from special education services provided by the cooperative before final enactment, the deadline specified in Minnesota Statutes, section 122.895, subdivision 3, is six days following the final enactment and the deadline specified in Minnesota Statutes, section 122.895, subdivision 6, paragraph (b), for notice of a teacher's exercise of rights under that subdivision is 16 days following final enactment.

Sec. 27. [ALTERNATIVE ASSESSMENT OF TEACHER SKILLS.]

(a) A person who has completed an approved teacher preparation program and obtained a provisional license to teach, but has not successfully completed the skills examination required under Minnesota Statutes 1992, section 125.05, subdivision 1a, paragraph (b), may renew the provisional license. Each renewal of the provisional license is contingent upon participation in a school district or higher education institution assistance program in the specific area or areas where qualifying scores have not been obtained. If after two successive renewals an applicant has not achieved the qualifying scores, the board of teaching shall grant a continuing license to the applicant upon successful completion of an alternative assessment of skills in accordance with paragraph (b).

(b) By February 1, 1994, the board of teaching shall develop and implement an alternative method of assessment of skills in reading, writing, and mathematics for teachers holding a provisional license who have not met the qualifying scores after two successive renewals. The alternative method of assessment may include adjustments in examination time or a uniform performance evaluation system that is approved for statewide licensure purposes and includes assessment of basic skills. A person with a provisional license may continue to renew the provisional license as provided in paragraph (a) until the board implements the alternative method of assessing skills in reading, writing, and mathematics.

Sec. 28. [REPEALER.]

Laws 1991, chapter 265, article 4, section 29, is repealed.

Sec. 29. [EFFECTIVE DATE.]

Section 14 is not subject to the effective date in Laws 1992, chapter 499, article 8, section 36. Section 24 is effective the day after the clerk of the

school board of independent school district No. 206, Alexandria, complies with Minnesota Statutes, section 645.021, subdivision 3. Section 25 is effective the day following final enactment and remains in effect only through the 1995-1996 school year.

ARTICLE 10

LIBRARIES

Section 1. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums indicated in this section are appropriated from the general fund to the department of education for the fiscal years designated.

Subd. 2. [BASIC SUPPORT GRANTS.] For basic support grants according to Minnesota Statutes, sections 134.32 to 134.35:

\$7,819,000 1994

\$7,819,000 1995

The 1994 appropriation includes \$1,172,000 for 1993 and \$6,647,000 for 1994.

The 1995 appropriation includes \$1,172,000 for 1994 and \$6,647,000 for 1995.

Subd. 3. [MULTICOUNTY, MULTITYPE LIBRARY SYSTEMS.] For grants according to Minnesota Statutes, sections 134.353 and 134.354, to multicounty, multitype library systems:

\$527,000 1994

\$527,000 1995

The 1994 appropriation includes \$79,000 for 1993 and \$448,000 for 1994.

The 1995 appropriation includes \$79,000 for 1994 and \$448,000 for 1995.

ARTICLE 11

STATE AGENCIES

Section 1. Minnesota Statutes 1992, section 124C.08, subdivision 1, is amended to read:

Subdivision 1. [FUNDING.] Each site shall receive \$1,250 each year for two years. If fewer than 30 sites are selected, each site shall receive an additional proportionate share of money appropriated and not used. Before receiving money for the second year, a long-range plan for arts education must be submitted to the ~~department~~ Minnesota center for arts education.

Sec. 2. Minnesota Statutes 1992, section 124C.08, subdivision 2, is amended to read:

Subd. 2. [CRITERIA.] The ~~department of education~~ center, in consultation with the comprehensive arts planning program state steering committee, shall establish criteria for site selection. Criteria shall include at least the following:

(1) a willingness by the district or group of districts to designate a program

chair for comprehensive arts planning with sufficient authority to implement the program;

(2) a willingness by the district or group of districts to create a committee comprised of school district and community people whose function is to promote comprehensive arts education in the district;

(3) commitment on the part of committee members to participate in training offered by the department of education;

(4) a commitment of the committee to conduct a needs assessment of arts education;

(5) commitment by the committee to evaluating its involvement in the program;

(6) a willingness by the district to adopt a long-range plan for arts education in the district;

(7) no previous involvement of the district in the comprehensive arts planning program, unless that district has joined a new group of districts; and

(8) location of the district or group of districts to assure representation of urban, suburban, and rural districts and distribution of sites throughout the state.

Sec. 3. Minnesota Statutes 1992, section 124C.09, is amended to read:

124C.09 [DEPARTMENT RESPONSIBILITY.]

The ~~department of education~~ *Minnesota center for arts education*, in cooperation with the Minnesota alliance for arts in education, and the Minnesota state arts board, ~~and the Minnesota center for arts education~~ shall provide materials, training, and assistance to the arts education committees in the school districts. The ~~department center~~ may contract with the Minnesota alliance for arts in education for its involvement in providing services, including staff assistance, to the program.

Sec. 4. [128A.11] [STUDENT ACTIVITIES ACCOUNT.]

Subdivision 1. [STUDENT ACTIVITIES; RECEIPTS; APPROPRIATION.] All receipts of any kind generated to operate student activities, including student fees, donations and contributions, and gate receipts must be deposited in the state treasury. The receipts are appropriated annually to the residential academies for student activities purposes. They are not subject to budgetary control by the commissioner of finance.

Subd. 2. [TO STUDENT ACTIVITIES ACCOUNT.] The money appropriated in subdivision 1 to the residential academies for student activities must be credited to a Faribault academies' student activities account and may be spent only for Faribault academies' student activities purposes.

Subd. 3. [CARRYOVER.] An unexpended balance in the Faribault academies' student activities account may be carried over from the first fiscal year of the biennium into the second fiscal year of the biennium and from one biennium to the next. The amount carried over must not be taken into account in determining state appropriations and must not be deducted from a later appropriation.

Subd. 4. [SPECIFICALLY INCLUDED AMONG RECEIPTS.] Any money generated by a Faribault academies' student activity that involves:

- (1) state employees who are receiving compensation for their involvement with the activity;*
- (2) the use of state facilities; or*
- (3) money raised for student activities in the name of the residential academies*

is specifically included among the kinds of receipts that are described in subdivision 1.

Sec. 5. Minnesota Statutes 1992, section 171.29, subdivision 2, is amended to read:

Subd. 2. [FEES, ALLOCATION.] (a) A person whose drivers license has been revoked as provided in subdivision 1, except under section 169.121 or 169.123, shall pay a \$30 fee before the person's drivers license is reinstated.

(b) A person whose drivers license has been revoked as provided in subdivision 1 under section 169.121 or 169.123 shall pay a \$250 fee before the person's drivers license is reinstated to be credited as follows:

- (1) 20 percent shall be credited to the trunk highway fund;
- (2) 55 percent shall be credited to the general fund;
- (3) eight percent shall be credited to a separate account to be known as the bureau of criminal apprehension account. Money in this account may be appropriated to the commissioner of public safety and shall be divided as follows: eight percent for laboratory costs; two percent for carrying out the provisions of section 299C.065;
- (4) 12 percent shall be credited to a separate account to be known as the alcohol-impaired driver education account. Money in the account may be appropriated to the commissioner of education for grants to develop alcohol-impaired driver education and chemical abuse prevention programs in elementary and secondary schools. The state board of education shall establish guidelines for the distribution of the grants. At least \$70,000 must be awarded in grants to local school districts; and
- (5) five percent shall be credited to a separate account to be known as the traumatic brain injury and spinal cord injury account. \$100,000 is annually appropriated from the account to the commissioner of human services for traumatic brain injury case management services. The remaining money in the account is annually appropriated to the commissioner of health to establish and maintain the traumatic brain injury and spinal cord injury registry created in section 144.662 and to reimburse the commissioner of jobs and training for the reasonable cost of services provided under section 268A.03, clause (o).

Sec. 6. [DEPARTMENT OF EDUCATION.]

The sums indicated in this section are appropriated from the general fund, unless otherwise indicated, to the department of education for the fiscal years designated.

\$14,269,000 1994

\$14,297,000 1995

\$21,000 each year is from the trunk highway fund.

\$45,000 each year must be used to assist districts with the assurance of mastery program.

\$219,000 each year is for the state board of education.

\$200,000 each year is for contracting with the state fire marshal to provide the services required according to Minnesota Statutes, section 121.1502.

The expenditures of federal grants and aids as shown in the biennial budget document are approved and appropriated and shall be spent as indicated.

The board of teaching budget is not exempt from internal reallocations and reductions required to balance the budget of the combined agencies.

The commissioner shall maintain no more than five total complement in the categories of commissioner, deputy commissioner, assistant commissioner, assistant to the commissioner, and executive assistant.

The department may establish full-time, part-time, or seasonal positions as necessary to carry out assigned responsibilities and missions.

In the next biennial budget, the department must assess its progress in meeting its established performance measures and inform the legislature on the content of that assessment. The information must include an assessment of its progress by consumers and employees.

Sec. 7. [FARIBAULT ACADEMIES APPROPRIATION.]

The sums indicated in this section are appropriated from the general fund to the department of education for the Faribault Academies:

\$7,724,000 1994

\$7,993,000 1995

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

The state board of education may establish full-time, part-time, or seasonal positions as necessary to carry out assigned responsibilities and missions of the Faribault academies.

In the next biennial budget, the state board of education must assess its progress in meeting its established performance measures for the Faribault academies and inform the legislature on the content of that assessment. The information must include an assessment of its progress by consumers and employees.

Sec. 8. [MINNESOTA CENTER FOR ARTS EDUCATION APPROPRIATION.]

The sums indicated in this section are appropriated from the general fund to the Minnesota center for arts education for the fiscal years indicated:

\$4,738,000 1994

\$4,738,000 1995

Any balance in the first year does not cancel but is available in the second year.

The center must provide assistance to the department of education for learner outcome development and assessment in the arts. If a reduction in programs is required under this section, no more than 40 percent of the reduction shall occur in resource center programs.

\$38,000 each year is for grants according to section 124C.08. The center must provide technical assistance as necessary.

The Minnesota center for arts education may establish full-time, part-time, or seasonal positions as necessary to carry out assigned responsibilities and missions.

In the next biennial budget, the Minnesota center for arts education must assess its progress in meeting its established performance measures and inform the legislature on the content of that assessment. The information must include an assessment of its progress by consumers and employees.

Sec. 9. [REPEALER.]

Minnesota Statutes 1992, section 126A.03, is repealed.

ARTICLE 12

MANDATE REPEALS

**OMNIBUS EDUCATION MANDATE REPEAL ACT TO PROMOTE
LOCAL FLEXIBILITY AND INNOVATION IN THE CLASSROOM**

Section 1. [PURPOSE.]

The legislature recognizes the need to give communities more local control over education so they can better fulfill the public school system's mission of ensuring individual academic achievement, an informed citizenry, and a highly productive work force. The purpose of this act is to repeal or modify restrictive and unnecessary mandates that hamper flexibility and innovation. The state's focus should be on performance rather than procedures. By decentralizing decision-making and emphasizing result-oriented rulemaking, this act also furthers the legislature's goal of moving from a means-based system of education to one that is accountable for outcomes.

MINNESOTA STATUTES

Sec. 2. Minnesota Statutes 1992, section 121.11, subdivision 7, is amended to read:

Subd. 7. [GENERAL SUPERVISION OVER EDUCATIONAL AGENCIES.] The state board of education shall adopt goals for and exercise general supervision over public schools and public educational agencies in the state, classify and standardize public elementary and secondary schools, and prepare for them outlines and suggested courses of study. The board shall develop a plan to attain the adopted goals. At the board's request, the commissioner may assign department of education staff to assist the board in attaining its goals. The commissioner shall explain to the board in writing any reason for refusing or delaying a request for staff assistance. The board shall establish rules relating to examinations, reports, acceptances of schools,

courses of study, and other proceedings in connection with elementary and secondary schools applying for special state aid. The state board may recognize educational accrediting agencies for the sole purposes of sections 120.101, 120.102, and 120.103.

Sec. 3. Minnesota Statutes 1992, section 121.11, is amended by adding a subdivision to read:

Subd. 7b. [ADMINISTRATIVE RULES.] The state board may adopt new rules and amend them or amend any of its existing rules only under specific authority. The state board may repeal any of its existing rules. Notwithstanding the provisions of section 14.05, subdivision 4, the state board may grant a variance to its rules upon application by a school district for purposes of implementing experimental programs in learning or school management. This subdivision shall not prohibit the state board from making technical changes or corrections to its rules.

Sec. 4. Minnesota Statutes 1992, section 121.11, is amended by adding a subdivision to read:

Subd. 7c. [RESULTS-ORIENTED GRADUATION RULE.] The legislature is committed to establishing a rigorous, results-oriented graduation rule for Minnesota's public school students. To that end, the state board shall use its rulemaking authority under subdivision 7b to adopt a statewide, results-oriented graduation rule to be implemented starting with students beginning high school in 1996. The board shall not prescribe in rule or otherwise the delivery system, form of instruction, or a single statewide form of assessment that local sites must use to meet the requirements contained in this rule.

Sec. 5. Minnesota Statutes 1992, section 121.11, is amended by adding a subdivision to read:

Subd. 7d. [DESEGREGATION, INCLUSIVE EDUCATION, AND LICENSURE RULES.] The state board may make rules relating to desegregation, inclusive education, and licensure of school personnel not licensed by the board of teaching.

Sec. 6. Minnesota Statutes 1992, section 121.11, subdivision 12, is amended to read:

Subd. 12. [ADMINISTRATIVE RULES TEACHER RULE VARIANCES.] ~~The state board may adopt new rules only upon specific authority other than under this subdivision. The state board may amend or repeal any of its existing rules. Notwithstanding the provisions of section 14.05, subdivision 4, the state board may grant a variance to its rules upon application by a school district for purposes of implementing experimental programs in learning or school management. Notwithstanding any law to the contrary, and only upon receiving the agreement of the state board of teaching, the state board of education may grant a variance to its rules governing licensure of teachers for those teachers licensed by the board of teaching. The state board may grant a variance, without the agreement of the board of teaching, to its rules governing licensure of teachers for those teachers it licenses.~~

Sec. 7. Minnesota Statutes 1992, section 121.14, is amended to read:

121.14 [RECOMMENDATIONS; BUDGET.]

The state board and the commissioner of education shall recommend to the governor and legislature such modification and unification of laws relating to

the state system of education as shall make those laws more readily understood and more effective in execution. ~~The state board and~~ The commissioner of education shall prepare a biennial education budget which shall be submitted to the governor and legislature, such budget to contain a complete statement of finances pertaining to the maintenance of the state department and to the distribution of state aid.

Sec. 8. Minnesota Statutes 1992, section 121.585, subdivision 2, is amended to read:

Subd. 2. [STATE BOARD DESIGNATION.] An area learning center designated by the state must be a site. ~~Up to an additional ten learning year sites may be designated by the state board of education.~~ To be designated, a district or center must demonstrate to the commissioner of education that it will:

(1) provide a program of instruction that permits pupils to receive instruction throughout the entire year; and

(2) maintain a record system that, for purposes of section 124.17, permits identification of membership attributable to pupils participating in the program. The record system and identification must ensure that the program will not have the effect of increasing the total number of pupil units attributable to an individual pupil as a result of a learning year program.

Sec. 9. Minnesota Statutes 1992, section 121.88, subdivision 1, is amended to read:

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

Sec. 10. Minnesota Statutes 1992, section 121.88, subdivision 7, is amended to read:

Subd. 7. [PROGRAM APPROVAL.] To be eligible for revenue for the program for adults with disabilities, a program and budget must receive approval from the community education section in the department of education. Approval may be for ~~one or two~~ five years. *During that time, a school board must report any significant changes to the department for approval.* For programs offered cooperatively, the request for approval must include an agreement on the method by which local money is to be derived and distributed. A request for approval must include all of the following:

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

Sec. 11. Minnesota Statutes 1992, section 121.904, subdivision 14, is amended to read:

Subd. 14. The ~~state board~~ *commissioner* shall specify the fiscal year or years to which the revenue from any aid or tax levy is applicable if Minnesota Statutes do not so specify.

Sec. 12. Minnesota Statutes 1992, section 121.906, is amended to read:

121.906 [EXPENDITURES; REPORTING.]

~~Subdivision 1.~~ School district expenditures shall be recognized and reported on the district books of account in accordance with this section.

~~Subd. 2. [RECOGNITION OF EXPENDITURES AND LIABILITIES.]~~ There shall be fiscal year-end recognition of expenditures and the related offsetting liabilities recorded in each fund in accordance with the uniform financial accounting and reporting standards for Minnesota school districts. Encumbrances outstanding at the end of the fiscal year do not constitute expenditures or liabilities.

~~Subd. 3. [PURCHASE ORDERS OTHER THAN INVENTORY.]~~ Purchase orders, itemized in detail, for other than inventory supply items, which are issued to outside vendors and based on firm prices shall be recorded as expenditures in the fiscal year in which the liability is incurred.

~~Subd. 4.~~ Inventory supply items may be recorded as expenditures at the time of the issuance of the purchase order or at the time of delivery to the school district's subordinate unit or other consumer of the item.

~~Subd. 5.~~ Salaries and wages shall be recorded as expenditures in the fiscal year in which the personal services are performed.

~~Subd. 6.~~ Other payable items shall be recorded in the fiscal year in which the liability is incurred.

~~Subd. 7.~~ Deviations from the principles set forth in this section shall be evaluated and explained in footnotes to audited financial statements.

Sec. 13. Minnesota Statutes 1992, section 121.908, subdivision 1, is amended to read:

Subdivision 1. ~~On or before June 30, 1977,~~ Each Minnesota school district shall adopt the uniform financial accounting and reporting standards for Minnesota school districts provided for in ~~section 121.902~~ *guidelines adopted by the department of education.*

Sec. 14. Minnesota Statutes 1992, section 121.908, subdivision 2, is amended to read:

Subd. 2. Each district shall submit to the commissioner by August 15 of each year an unaudited financial statement for the preceding fiscal year. This statement shall be submitted on forms prescribed by the commissioner ~~after consultation with the advisory council on uniform financial accounting and reporting standards.~~

Sec. 15. Minnesota Statutes 1992, section 123.34, subdivision 10, is amended to read:

Subd. 10. [PRINCIPALS.] Each public school building, as defined by section 120.05, subdivision 2, clauses (1), (2) and (3), in an independent

school district ~~shall~~ *may* 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. If pupils in kindergarten through grade 12 attend school in one building, one principal may supervise the building.

Each principal assigned the responsibility for the supervision of a school building shall hold a valid license 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. 16. Minnesota Statutes 1992, section 123.35, subdivision 1, is amended to read:

Subdivision 1. The board shall have the general charge of the business of the district, the school houses, and of the interests of the schools thereof. *The board's authority to conduct the business of the district includes implied powers in addition to any specific powers granted by the legislature.*

Sec. 17. Minnesota Statutes 1992, section 123.80, subdivision 1, is amended to read:

Subdivision 1. The state board of education shall provide by rule a program of safety education for students who are transported to school. Each district receiving aid under the provisions of section 124.225 shall ~~implement the program. In drafting said rules, the board shall give particular attention to procedures for loading, unloading, vehicle lane crossing and emergency evacuation procedures as they affect school buses. provide bus safety education for students who are transported to school.~~

Sec. 18. Minnesota Statutes 1992, section 124.19, subdivision 5, is amended to read:

Subd. 5. [SCHEDULE ADJUSTMENTS.] (a) It is the intention of the legislature to encourage efficient and effective use of staff and facilities by school districts. School districts are encouraged to consider both cost and energy saving measures.

(b) Notwithstanding the provisions of subdivision 1 or 4, any district operating a program pursuant to sections 120.59 to 120.67 or 125.701 to 125.705, or operating a commissioner-designated area learning center program under section 124C.49, or that otherwise receives the approval of the commissioner to operate its instructional program to avoid an aid reduction in any year, may adjust the annual school schedule for that program throughout the calendar year so long as the number of instructional hours in the year is not less than the number of instructional hours per day specified in the rules of the state board multiplied by the minimum number of instructional days required by subdivision 4.

Sec. 19. Minnesota Statutes 1992, section 124.26, subdivision 1c, is amended to read:

Subd. 1c. [PROGRAM APPROVAL.] To receive aid under this section, a district must submit an application by June 1 describing the program, on a form provided by the department. The program must be approved by the commissioner according to the following criteria:

- (1) how the needs of different levels of learning will be met;
- (2) for continuing programs, an evaluation of results;
- (3) anticipated number and education level of participants;
- (4) coordination with other resources and services;
- (5) participation in a consortium, if any, and money available from other participants;
- (6) management and program design;
- (7) volunteer training and use of volunteers;
- (8) staff development services;
- (9) program sites and schedules; and
- (10) program expenditures that qualify for aid.

The commissioner may contract with a private, nonprofit organization to provide services that are not offered by a district or that are supplemental to a district's program. The program provided under a contract must be approved according to the same criteria used for district programs.

Adult basic education programs may be approved under this subdivision for up to two five years. ~~Two-year~~ Five-year program approval shall be granted to an applicant who has demonstrated the capacity to:

- (1) offer comprehensive learning opportunities and support service choices appropriate for and accessible to adults at all basic skill need levels;

- (2) provide a participatory and experimental learning approach based on the strengths, interests, and needs of each adult, that enables adults with basic skill needs to:

- (i) identify, plan for, and evaluate their own progress toward achieving their defined educational and occupational goals;

- (ii) master the basic academic reading, writing, and computational skills, as well as the problem-solving, decision making, interpersonal effectiveness, and other life and learning skills they need to function effectively in a changing society;

- (iii) locate and be able to use the health, governmental, and social services and resources they need to improve their own and their families' lives; and

- (iv) continue their education, if they desire, to at least the level of secondary school completion, with the ability to secure and benefit from continuing education that will enable them to become more employable, productive, and responsible citizens;

- (3) plan, coordinate, and develop cooperative agreements with community resources to address the needs that the adults have for support services, such as transportation, flexible course scheduling, convenient class locations, and child care;

(4) collaborate with business, industry, labor unions, and employment-training agencies, as well as with family and occupational education providers, to arrange for resources and services through which adults can attain economic self-sufficiency;

(5) provide sensitive and well trained adult education personnel who participate in local, regional, and statewide adult basic education staff development events to master effective adult learning and teaching techniques;

(6) participate in regional adult basic education peer program reviews and evaluations; and

(7) submit accurate and timely performance and fiscal reports.

Sec. 20. Minnesota Statutes 1992, section 124.2713, subdivision 2, is amended to read:

Subd. 2. [ELIGIBILITY.] To be eligible for community education revenue, a district must:

(1) operate a community education program that complies with section 121.88; and

(2) file a certificate of compliance with the commissioner of education. The certificate of compliance shall certify that a meeting was held to discuss methods of increasing cooperation among the governing boards of each county, city, and township in which the district, or any part of the district, is located, and that each governing board was sent a written notice of the meeting at least 45 working days before the meeting. The failure of a governing board to attend the meeting shall not affect the authority of the district to obtain community education revenue.

Sec. 21. Minnesota Statutes 1992, section 125.032, subdivision 2, is amended to read:

Subd. 2. [EXCEPTIONS.] A person who teaches in a community education program which qualifies for aid pursuant to section 124.26 shall continue to meet licensure requirements as a teacher. A person who teaches in an early childhood and family education program which is offered through a community education program and which qualifies for community education aid pursuant to section 124.2713 or early childhood and family education aid pursuant to section 124.2711 shall continue to meet licensure requirements as a teacher. A person who teaches in a community education course which is offered for credit for graduation to persons under 18 years of age shall continue to meet licensure requirements as a teacher. A person who teaches a driver training course which is offered through a community education program to persons under 18 years of age shall be licensed by the board of teaching or be subject to section 171.35. A license which is required for an instructor in a community education program pursuant to this subdivision shall not be construed to bring an individual within the definition of a teacher for purposes of section 125.12, subdivision 1, or 125.17, subdivision 1, clause (a).

Sec. 22. [125.706] [PREPARATION TIME.]

Beginning with agreements effective July 1, 1995, and thereafter, all collective bargaining agreements for teachers provided for under Minnesota Statutes, chapter 179A, must include provisions for preparation time or a

provision indicating that the parties to the agreement chose not to include preparation time in the contract.

If the parties cannot agree on preparation time the following provision shall apply and be incorporated as part of the agreement: "Within the student day for every 25 minutes of instructional time, a minimum of five minutes of preparation time shall be provided to each licensed teacher. Preparation time shall be provided in one or two uninterrupted blocks during the student day. Exceptions to this may be made by mutual agreement between the district and the exclusive representative of the teachers.

Sec. 23. [125.80] [TEACHER LUNCH PERIOD.]

Each teacher shall be provided with a duty-free lunch period, scheduled according to school board policy or negotiated agreement.

Sec. 24. [126.116] [NO MANDATES WITHOUT MONEY.]

A school district is not required to comply with a state mandate, as defined in section 3.881, if the mandate affects the daily operation of schools, the authority of school boards to establish locally developed education policies, changes in the school district's curriculum, or other changes in the school district's spending priorities until the additional revenue needed to pay for the mandate is identified.

Sec. 25. [126.681] [EVALUATION OF PUPIL GROWTH AND PROGRESS; PERMANENT RECORDS.]

Each school district shall provide a testing program for the purpose of measuring pupil growth and for curriculum evaluation, as well as a system for grading and making reports to parents. Each district shall develop an appropriate program of pupil progress and promotion for its elementary, middle, and secondary schools. Each district shall keep accurate and complete individual, permanent, cumulative personal records for all pupils.

Sec. 26. [126.699] [PARENTAL CURRICULUM REVIEW.]

Each school district shall have a procedure for a parent, guardian, or an adult student, 18 years of age or older, to review the content of the instructional materials to be provided to a minor child or to an adult student and, if the parent, guardian, or adult student objects to the content, to make reasonable arrangements with school personnel for alternative instruction. Alternative instruction may be provided by the parent, guardian, or adult student if the alternative instruction, if any, offered by the school board does not meet the concerns of the parent, guardian, or adult student. The school board is not required to pay for the costs of alternative instruction provided by a parent, guardian, or adult student. School personnel may not impose an academic or other penalty upon a student merely for arranging alternative instruction under this section. School personnel may evaluate and assess the quality of the student's work.

Sec. 27. Minnesota Statutes 1992, section 127.455, is amended to read:

127.455 [MODEL POLICY.]

The commissioner of education shall maintain and make available to school boards a model sexual and racial harassment and violence policy. The model policy shall address the requirements of section 127.46.

Each school board shall submit to the commissioner of education a copy of the sexual and racial harassment and sexual and racial violence policy the board has adopted.

Sec. 28. Minnesota Statutes 1992, section 127.46, is amended to read:

127.46 [SEXUAL AND RACIAL HARASSMENT AND VIOLENCE POLICY.]

Each school board shall adopt a written sexual and racial harassment and sexual and racial violence policy that conforms with sections 363.01 to 363.15. The policy shall apply to pupils, teachers, administrators, and other school personnel, include reporting procedures, and set forth disciplinary actions that will be taken for violation of the policy. Disciplinary actions must conform with collective bargaining agreements and sections 127.27 to 127.39. The policy must be conspicuously posted throughout each school building and included in each school's student handbook on school policies. Each school must develop a process for discussing the school's sexual and racial harassment and violence policy with students and school employees.

Sec. 29. Minnesota Statutes 1992, section 144.29, is amended to read:

144.29 [HEALTH RECORDS; CHILDREN OF SCHOOL AGE.]

It shall be the duty of every school nurse, school physician, school attendance officer, superintendent of schools, principal, teacher, and of the persons charged with the duty of compiling and keeping the school census records, to cause a permanent public health record to be kept for each child of school age. Such record shall be kept in such form that it may be transferred with the child to any school which the child shall attend within the state and transferred to the commissioner when the child ceases to attend school. It shall contain a record of such health matters as shall be prescribed by the commissioner, and of all mental and physical defects and handicaps which might permanently cripple or handicap the child. Nothing in sections 144.29 to 144.32 shall be construed to require any child whose parent or guardian objects in writing thereto to undergo a physical or medical examination or treatment. A copy shall be forwarded to the proper department of any state to which the child shall remove. *Each district shall assign a teacher, school nurse, or other professional person to review, at the beginning of each school year, the health record of all pupils under the assignee's direction. Growth, results of vision and hearing screening, and findings obtained from health assessments must be entered periodically on the pupil's health record.*

Sec. 30. [REPEALER.]

(a) *Minnesota Statutes 1992, sections 120.095; 120.101, subdivision 5a and 5b; 120.75, subdivision 2; 120.80, subdivision 2; 121.11, subdivisions 6 and 13; 121.165; 121.19; 121.49; 121.496; 121.883; 121.90; 121.901; 121.902; 121.904, subdivisions 5, 6, 8, 9, 10, 11a, and 11c; 121.908, subdivision 4; 121.9121, subdivisions 3 and 5; 121.931, subdivisions 6, 6a, 7, and 8; 121.934; 121.936 subdivisions 1, 2, and 3; 121.937; 121.94; 121.941; 121.942; 121.943; 123.33, subdivisions 10, 14, 15, and 16; 123.35, subdivision 14; 123.352; 123.36, subdivisions 2, 3, 4, 4a, 6, 8, 9, and 12; 123.40, subdivisions 4 and 6; 123.61; 123.67; 123.709; 123.744; 124.615; 124.62; 124.64; 124.645; 124.67; 124.68; 124.69; 124.79; 125.12; subdivisions 3a and 4a; 125.17, subdivisions 2a and 3a; 126.09;*

126.111; 126.112; 126.20, subdivision 4; 126.24; and 126.268, are repealed.

(b) *Minnesota Statutes 1992, section 121.11, subdivision 15, is repealed.*

(c) *Minnesota Statutes 1992, sections 121.11, subdivision 16; 121.585, subdivision 3; 124.19, subdivisions 1, 1b, 6, and 7; 126.02; 126.025; 126.031; 126.06; 126.08; 126.12, subdivision 2; 126.662; 126.663; 126.664; 126.665; 126.666; 126.67; 126.68; 126A.01; 126A.02; 126A.03; 126A.04; 126A.05; 126A.07; 126A.08; 126A.09; 126A.10; 126A.11; and 126A.12, are repealed.*

Sec. 31. [EFFECTIVE DATE.]

Section 24 is effective September 1, 1993, to apply to new state mandates that take effect after August 31, 1993.

Section 30, paragraph (b), is effective July 1, 1995. Section 30, paragraph (c), is effective August 1, 1996.

MINNESOTA RULES

Sec. 32. [TASK FORCE ON EDUCATION FOR CHILDREN WITH DISABILITIES.]

Subdivision 1. [MEMBERSHIP.] The task force on education for children with disabilities consists of 15 members appointed by the commissioner of education. The membership shall include parents of children with disabilities, students with disabilities, special education teachers and general education teachers, school administrators, special education directors, representatives of higher education, representatives of advocacy organizations for children with disabilities, and no more than one representative of state government. At least five members shall be parents of children with disabilities or representatives of advocacy groups. One member shall be a student with a disability. The membership representing children with disabilities shall reflect the student population according to special education service categories.

Subd. 2. [DUTIES.] The task force established by subdivision 1 shall review the educational needs of children with disabilities and the current system of services, including the state and federal regulatory scheme and associated costs, and recommend ways to remove barriers to effective education and improve measurable learner outcomes. The task force shall make recommendations to:

(1) reduce paperwork and other administrative burdens on classroom teachers to increase the amount of time they spend educating students;

(2) improve access to effective education for children with disabilities by increased coordination of special and general education services, including staff development programs;

(3) assure that education for children with disabilities is outcome-based while maintaining due process protections for students and their families; and

(4) eliminate duplication in the regulatory scheme.

Subd. 3. [STAFF SUPPORT.] The department of education and any other state agency shall provide information and other assistance requested by the task force.

Subd. 4. [REPORT.] The task force shall report to the chairs of the house and senate education committees its findings and recommendations by January 15, 1994.

Sec. 33. [SCHOOL BUS SAFETY TASK FORCE.]

Subdivision 1. [MEMBERSHIP.] The school bus safety task force consists of 15 members appointed jointly by the commissioners of education and public safety. The membership shall include a representative of each department, a student school bus rider, a parent of a school-age child using school transportation, a representative of the Minnesota state patrol, school transportation managers, school board members, a representative of a public transit authority not affiliated with schools, and school bus mechanics, manufacturers, or other school bus industry representatives. The commissioners of education and public safety shall call the first meeting, at which a chair shall be elected.

Subd. 2. [DUTIES.] The task force established by subdivision 1 shall review state and federal statutes and administrative rules relating to school bus design and safety and make recommendations to eliminate duplication and otherwise streamline the regulatory scheme. The task force shall examine the feasibility of converting current administrative rules governing school bus design to guidelines administered either by the department of education or public safety.

Subd. 3. [REPORT.] The task force shall report to the chairs of the senate and house education committees its findings and recommendations by January 15, 1994.

Sec. 34. [OUTCOME-BASED LICENSURE OF TEACHERS AND ADMINISTRATORS.]

Rules adopted by the state board of education and the board of teaching regarding licensure of teachers or administrators shall, to the extent possible, be outcome-based and clearly related to the results-oriented graduation rule to be implemented starting with students entering high school in 1996. The boards shall develop outcomes relating to flexible school-based organizational structures and inclusive instructional strategies. Each board shall report to the legislature on the status of its licensure rules by February 15, 1995. The reports shall explain how the rules are outcome-based and how they relate to learner outcomes for students.

Sec. 35. [SCHOOL DESEGREGATION STUDY.]

Subdivision 1. [TASK FORCE ESTABLISHED.] The task force established by subdivision 2 shall review the status of school desegregation in Minnesota under the current state board of education rule and recommend changes designed to better fulfill the promise of equal educational opportunity articulated in the landmark United States Supreme Court case of Brown v. Board of Education.

Subd. 2. [MEMBERSHIP.] The task force consists of:

- (1) one member appointed by the National Association for the Advancement of Colored People;*
- (2) one member appointed by the Urban League;*
- (3) one member appointed by the Minnesota Minority Lawyers Association;*

- (4) one member appointed by the council on Asian-Pacific Minnesotans;
- (5) one member appointed by the Indian Affairs Council;
- (6) one member appointed by the Council on Affairs of Spanish-speaking people;
- (7) one member appointed by the school superintendent in each city of the first class;
- (8) one parent appointed by the school board of each city of the first class; and
- (9) one student appointed by the school board of each city of the first class.

The chair of the state board of education shall call the first meeting.

Subd. 3. [REPORT.] *By December 1, 1993, the task force shall submit a report to the legislature containing its findings and recommendations.*

Subd. 4. [SUSPENSION OF RULEMAKING.] *The state board of education shall not begin the rulemaking process to amend the current desegregation rule prior to January 1, 1994.*

Sec. 36. [DRIVER EDUCATION; COOPERATION WITH DEPARTMENT OF PUBLIC SAFETY.] *The state board shall cooperate with the department of public safety to develop a single set of rules for driver education programs, whether public, private, or commercial.*

Sec. 37. [VOCATIONAL PROGRAM STANDARDS.]

By August 1, 1996, the department of education shall develop program standards to replace rules in chapter 3505 governing approval of secondary vocational programs, including community-based cooperative vocational programs.

Sec. 38. [RULE CHANGE.]

The state board shall amend Minnesota Rules, part 3505.2400, to delete the requirement of annual submission of approval requests for secondary vocational education programs. The amendment is not subject to the rule-making provisions of chapter 14, but the state board must comply with section 14.38, subdivision 7, in adopting the amendment.

Sec. 39. [ARTS SCHOOL DEADLINE.]

The Minnesota center for arts education may extend the October 1 deadline specified in rule for admission to its high school if the school's enrollment is less than the maximum of 300.

Sec. 40. [REPEALER.]

(a) *Minnesota Rules, parts 3500.0500; 3500.0600, subparts 1 and 2; 3500.0605; 3500.0800; 3500.1090; 3500.1800; 3500.2950; 3500.3100, subparts 1 to 3; 3500.3500; 3500.3600; 3500.4400; 3510.2200; 3510.2300; 3510.2400; 3510.2500; 3510.2600; 3510.6200; 3520.0200; 3520.0300; 3520.0600; 3520.1000; 3520.1200; 3520.1300; 3520.1800; 3520.2700; 3520.3802; 3520.3900; 3520.4500; 3520.4620; 3520.4630; 3520.4640; 3520.4680; 3520.4750; 3520.4761; 3520.4811; 3520.4831; 3520.4910; 3520.5330; 3520.5340; 3520.5370; 3520.5461; 3525.2850; 3530.0300; 3530.0600; 3530.0700; 3530.0800; 3530.1100; 3530.1300; 3530.1400;*

3530.1600; 3530.1700; 3530.1800; 3530.1900; 3530.2000; 3530.2100; 3530.2800; 3530.2900; 3530.3100, subparts 2 to 4; 3530.3200, subparts 1 to 5; 3530.3400, subparts 1, 2, and 4 to 7; 3530.3500; 3530.3600; 3530.3900; 3530.4000; 3530.4100; 3530.5500; 3530.5700; 3530.6100; 3535.0800; 3535.1000; 3535.1400; 3535.1600; 3535.1800; 3535.1900; 3535.2100; 3535.2200; 3535.2600; 3535.2900; 3535.3100; 3535.3500; 3535.9930; 3535.9940; 3535.9950; 3540.0600; 3540.0700; 3540.0800; 3540.0900; 3540.1000; 3540.1100; 3540.1200; 3540.1300; 3540.1700; 3540.1800; 3540.1900; 3540.2000; 3540.2100; 3540.2200; 3540.2300; 3540.2400; 3540.2800; 3540.2900; 3540.3000; 3540.3100; 3540.3200; 3540.3300; 3540.3400; 3545.1000; 3545.1100; 3545.1200; 3545.2300; 3545.2700; 3545.3000; 3545.3002; 3545.3004; 3545.3005; 3545.3014; 3545.3022; 3545.3024; 8700.4200; 8700.6410; 8700.6800; 8700.7100; 8700.9000; 8700.9010; 8700.9020; and 8700.9030, are repealed.

(b) *Minnesota Rules*, parts 3520.1600; 3520.2400; 3520.2500; 3520.2600; 3520.2800; 3520.2900; 3520.3000; 3520.3100; 3520.3200; 3520.3400; 3520.3500; 3520.3680; 3520.3701; 3520.3801; 3520.4001; 3520.4100; 3520.4201; 3520.4301; 3520.4400; 3520.4510; 3520.4531; 3520.4540; 3520.4550; 3520.4560; 3520.4570; 3520.4600; 3520.4610; 3520.4650; 3520.4670; 3520.4701; 3520.4711; 3520.4720; 3520.4731; 3520.4741; 3520.4801; 3520.4840; 3520.4850; 3520.4900; 3520.4930; 3520.4980; 3520.5000; 3520.5010; 3520.5111; 3520.5120; 3520.5141; 3520.5151; 3520.5160; 3520.5171; 3520.5180; 3520.5190; 3520.5200; 3520.5220; 3520.5230; 3520.5300; 3520.5310; 3520.5361; 3520.5380; 3520.5401; 3520.5450; 3520.5471; 3520.5481; 3520.5490; 3520.5500; 3520.5510; 3520.5520; 3520.5531; 3520.5551; 3520.5560; 3520.5570; 3520.5580; 3520.5600; 3520.5611; 3520.5700; 3520.5710; 3520.5900; 3520.5910; 3520.5920; 3530.6500; 3530.6600; 3530.6700; 3530.6800; 3530.6900; 3530.7000; 3530.7100; 3530.7200; 3530.7300; 3530.7400; 3530.7500; 3530.7600; 3530.7700; and 3530.7800, are repealed.

(c) *Minnesota Rules*, parts 3500.1400; 3500.3700; 3510.0100; 3510.0200; 3510.0300; 3510.0400; 3510.0500; 3510.0600; 3510.0800; 3510.1100; 3510.1200; 3510.1300; 3510.1400; 3510.1500; 3510.1600; 3510.2800; 3510.2900; 3510.3000; 3510.3200; 3510.3400; 3510.3500; 3510.3600; 3510.3700; 3510.3800; 3510.7200; 3510.7300; 3510.7400; 3510.7500; 3510.7600; 3510.7700; 3510.7900; 3510.8000; 3510.8100; 3510.8200; 3510.8300; 3510.8400; 3510.8500; 3510.8600; 3510.8700; 3510.9000; 3510.9100; chapters 3515, 3517.0100; 3517.0120; 3517.3150; 3517.3170; 3517.3420; 3517.3450; 3517.3500; 3517.3650; 3517.4000; 3517.4100; 3517.4200; 3517.8500; 3517.8600; and 3560, are repealed.

(d) *Minnesota Rules*, parts 3500.0710; 3500.1060; 3500.1075; 3500.1100; 3500.1150; 3500.1200; 3500.1500; 3500.1600; 3500.1900; 3500.2000; 3500.2020; 3500.2100; 3500.2900; 3500.5010; 3500.5020; 3500.5030; 3500.5040; 3500.5050; 3500.5060; 3500.5070; 3505.2700; 3505.2800; 3505.2900; 3505.3000; 3505.3100; 3505.3200; 3505.3300; 3505.3400; 3505.3500; 3505.3600; 3505.3700; 3505.3800; 3505.3900; 3505.4000; 3505.4100; 3505.4200; 3505.4400; 3505.4500; 3505.4600; 3505.4700; 3505.5100; 8700.2900; 8700.3000; 8700.3110; 8700.3120; 8700.3200; 8700.3300; 8700.3400; 8700.3500; 8700.3510; 8700.3600; 8700.3700; 8700.3810; 8700.3900; 8700.4000; 8700.4100; 8700.4300; 8700.4400; 8700.4500; 8700.4600; 8700.4710; 8700.4800; 8700.4901; 8700.4902; 8700.5100; 8700.5200; 8700.5300; 8700.5310; 8700.5311; 8700.5500;

8700.5501; 8700.5502; 8700.5503; 8700.5504; 8700.5505; 8700.5506;
 8700.5507; 8700.5508; 8700.5509; 8700.5510; 8700.5511; 8700.5512;
 8700.5800; 8700.6310; 8700.6900; 8700.7010; 8700.7700; 8700.7710;
 8700.8000; 8700.8010; 8700.8020; 8700.8030; 8700.8040; 8700.8050;
 8700.8060; 8700.8070; 8700.8080; 8700.8090; 8700.8110; 8700.8120;
 8700.8130; 8700.8140; 8700.8150; 8700.8160; 8700.8170; 8700.8180;
 8700.8190; 8750.0200; 8750.0220; 8750.0240; 8750.0260; 8750.0300;
 8750.0320; 8750.0330; 8750.0350; 8750.0370; 8750.0390; 8750.0410;
 8750.0430; 8750.0460; 8750.0500; 8750.0520; 8750.0600; 8750.0620;
 8750.0700; 8750.0720; 8750.0740; 8750.0760; 8750.0780; 8750.0800;
 8750.0820; 8750.0840; 8750.0860; 8750.0880; 8750.0890; 8750.0900;
 8750.0920; 8750.1000; 8750.1100; 8750.1120; 8750.1200; 8750.1220;
 8750.1240; 8750.1260; 8750.1280; 8750.1300; 8750.1320; 8750.1340;
 8750.1360; 8750.1380; 8750.1400; 8750.1420; 8750.1440; 8750.1500;
 8750.1520; 8750.1540; 8750.1560; 8750.1580; 8750.1600; 8750.1700;
 8750.1800; 8750.1820; 8750.1840; 8750.1860; 8750.1880; 8750.1900;
 8750.1920; 8750.1930; 8750.1940; 8750.1960; 8750.1980; 8750.2000;
 8750.2020; 8750.2040; 8750.2060; 8750.2080; 8750.2100; 8750.2120;
 8750.2140; 8750.4000; 8750.4100; 8750.4200; 8750.9000; 8750.9100;
 8750.9200; 8750.9300; 8750.9400; 8750.9500; 8750.9600; and 8750.9700,
 are repealed.

Sec. 41. [EFFECTIVE DATE.]

Section 40, paragraph (b), is effective August 1, 1994. Section 40, paragraph (c), is effective July 1, 1995. Section 40, paragraph (d), is effective August 1, 1996.

FEDERAL MANDATES

Sec. 42. [POLICY.]

It is the policy of the state of Minnesota to eliminate unnecessary restrictions on local decision-making in education. The legislature urges Congress and other federal rulemaking authorities to adopt this policy and repeal or modify federal mandates that run counter to its goals. Specifically, we request that Congress repeal United States Code, title 20, section 3194(a)(4)(A) and (B).

Sec. 43. [COMMUNICATION TO FEDERAL AUTHORITIES.]

The secretary of state shall send a copy of this article to Congress and other federal authorities that set education policy.

ARTICLE 13

STATE BOARD DUTIES

Section 1. Minnesota Statutes 1992, section 120.062, subdivision 5, is amended to read:

Subd. 5. [DESEGREGATION DISTRICT TRANSFERS.] (a) This subdivision applies to a transfer into or out of a district that has a desegregation plan approved by the state board commissioner of education.

(b) An application to transfer may be submitted at any time for enrollment beginning at any time.

(c) The parent or guardian of a pupil who is a resident of a district that has a desegregation plan must submit an application to the resident district. If the district accepts the application, it must forward the application to the nonresident district.

(d) The parent or guardian of a pupil who applies for enrollment in a nonresident district that has a desegregation plan must submit an application to the nonresident district.

(e) Each district must accept or reject an application it receives and notify the parent or guardian in writing within 30 calendar days of receiving the application. A notification of acceptance must include the date enrollment can begin.

(f) If an application is rejected, the district must state the reason for rejection in the notification. If a district that has a desegregation plan rejects an application for a reason related to the desegregation plan, the district must state with specificity how acceptance of the application would result in noncompliance with state board rules with respect to the school or program for which application was made.

(g) If an application is accepted, the parent or guardian must notify the nonresident district in writing within 15 calendar days of receiving the acceptance whether the pupil intends to enroll in the nonresident district. Notice of intention to enroll obligates the pupil to enroll in the nonresident district, unless the school boards of the resident and nonresident districts agree otherwise. If a parent or guardian does not notify the nonresident district, the pupil may not enroll in that nonresident district at that time, unless the school boards of the resident and nonresident district agree otherwise.

(h) Within 15 calendar days of receiving the notice from the parent or guardian, the nonresident district shall notify the resident district in writing of the pupil's intention to enroll in the nonresident district.

(i) A pupil enrolled in a nonresident district under this subdivision is not required to make annual or periodic application for enrollment but may remain enrolled in the same district. A pupil may transfer to the resident district at any time.

(j) A pupil enrolled in a nonresident district and applying to transfer into or out of a district that has a desegregation plan must follow the procedures of this subdivision. For the purposes of this type of transfer, "resident district" means the nonresident district in which the pupil is enrolled at the time of application.

(k) A district that has a desegregation plan approved by the state board of education must accept or reject each individual application in a manner that will enable compliance with its desegregation plan.

Sec. 2. Minnesota Statutes 1992, section 120.0751, is amended to read:

120.0751 [STATE BOARD COMMISSIONER OF EDUCATION; ENROLLMENT EXCEPTIONS.]

Subdivision 1. The ~~state board of education~~ commissioner may permit a pupil to enroll in a school district of which the pupil is not a resident under this section.

Subd. 2. The pupil or the pupil's parent or guardian shall make application to the ~~state board commissioner~~, explaining the particular circumstances which make the nonresident district the appropriate district of attendance for the pupil. The application must be signed by the pupil's parent or guardian and the superintendent of the nonresident district.

Subd. 3. [CRITERIA FOR APPROVAL.] In approving or disapproving the application the ~~state board commissioner~~ shall consider the following:

(a) if the circumstances of the pupil are similar or analogous to the exceptions permitted by section 120.075, whether attending school in the district of residence creates a particular hardship for the pupil; or

(b) if the pupil has been continuously enrolled for at least two years in a district of which the pupil was not a resident because of an error made in good faith about the actual district of residence, whether attending school in the district of residence creates a particular hardship for the pupil. If the ~~board commissioner~~ finds that a good faith error was made and that attending school in the district of residence would create a particular hardship for the siblings of that pupil or foster children of that pupil's parents, ~~it the commissioner~~ may separately approve an application for any or all of the siblings of the pupil who are related by blood, adoption, or marriage and for foster children of the pupil's parents.

Subd. 4. The ~~state board of education commissioner~~ shall render its decision in each case within 60 days of receiving the application in subdivision 2.

Subd. 5. The ~~department of education commissioner~~ shall provide the forms required by subdivision 2. ~~The state board of education~~ and shall adopt the procedures necessary to implement this section.

Subd. 6. [AID.] General education aid, capital expenditure facilities aid, capital expenditure equipment aid, and transportation aid for pupils covered by programs under this section must be paid according to sections 124A.036, subdivision 5, 124.245, subdivision 6, and 124.225, subdivision 81.

Sec. 3. Minnesota Statutes 1992, section 120.75, subdivision 1, is amended to read:

Subdivision 1. Prior to the initiation of any fee not authorized or prohibited by sections 120.73 and 120.74, the local school board shall hold a public hearing within the district upon three weeks published notice in the district's official newspaper. The local school board shall notify the ~~state board commissioner~~ of any fee it proposes to initiate under this section. If within 45 days of this notification, the ~~state board commissioner~~ does not disapprove the proposed fee, the local school board may initiate the proposed fee.

Sec. 4. Minnesota Statutes 1992, section 121.15, subdivision 4, is amended to read:

Subd. 4. [CONDEMNATION OF SCHOOL BUILDINGS.] The commissioner may condemn school buildings and sites ~~that the state board of education determines are determined to be~~ unfit or unsafe for that use.

Sec. 5. Minnesota Statutes 1992, section 121.201, subdivision 1, is amended to read:

Subdivision 1. [RESPONSIBILITY OF BOARD COMMISSIONER.] The ~~state board of education~~ *commissioner* shall coordinate and may pay for support services for hearing impaired persons to assure access to educational opportunities. Services may be provided to adult students who are hearing impaired and (a) have been denied access to educational opportunities because of the lack of support services or (b) are presently enrolled or (c) are contemplating enrollment in an educational program and would benefit from support services. The ~~state board~~ *commissioner* shall also be responsible for conducting in-service training for public and private agencies regarding the needs of hearing impaired persons in the adult education system.

Sec. 6. Minnesota Statutes 1992, section 121.201, subdivision 2, is amended to read:

Subd. 2. [SUPPORT SERVICES.] The ~~state board~~ *commissioner* may pay school districts or public or private community agencies for the following support services:

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

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

Sec. 7. Minnesota Statutes 1992, section 121.9121, subdivision 1, is amended to read:

Subdivision 1. [STATE BOARD COMMISSIONER'S AUTHORIZATION.] The ~~state board~~ *commissioner* may authorize a board to transfer money from any fund or account other than the debt redemption fund to another fund or account according to this section.

Sec. 8. Minnesota Statutes 1992, section 121.9121, subdivision 2, is amended to read:

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

Sec. 9. Minnesota Statutes 1992, section 121.9121, subdivision 4, is amended to read:

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

Sec. 10. Minnesota Statutes 1992, section 123.3513, is amended to read:

123.3513 [ADVANCED ACADEMIC CREDIT.]

A school district shall grant academic credit to a pupil attending an accelerated or advanced academic course offered by a higher education institution or a nonprofit public agency other than the district, if the pupil successfully completes the course attended and passes an examination approved by the district. If no comparable course is offered by the district, the

~~state board of education~~ commissioner shall determine the number of credits which shall be granted to a pupil who successfully completes and passes the course. If a comparable course is offered by the district, the school board shall grant a comparable number of credits to the pupil. If there is a dispute between the district and the pupil regarding the number of credits granted for a particular course, the pupil may appeal the school board's decision to the ~~state board of education~~ commissioner. The ~~state board's~~ commissioner's decision regarding the number of credits shall be final.

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

Sec. 11. Minnesota Statutes 1992, section 123.3514, subdivision 5, is amended to read:

Subd. 5. [CREDITS.] A pupil may enroll in a course under this section for either secondary credit or post-secondary credit. At the time a pupil enrolls in a course, the pupil shall designate whether the course is for secondary or post-secondary credit. A pupil taking several courses may designate some for secondary credit and some for post-secondary credit. A pupil must not audit a course under this section.

A school district shall grant academic credit to a pupil enrolled in a course for secondary credit if the pupil successfully completes the course. Nine quarter or six semester college credits equal at least one full year of high school credit. Fewer college credits may be prorated. A school district shall also grant academic credit to a pupil enrolled in a course for post-secondary credit if secondary credit is requested by a pupil. If no comparable course is offered by the district, the district shall, as soon as possible, notify the ~~state board of education~~ commissioner, which shall determine the number of credits that shall be granted to a pupil who successfully completes a course. If a comparable course is offered by the district, the school board shall grant a comparable number of credits to the pupil. If there is a dispute between the district and the pupil regarding the number of credits granted for a particular course, the pupil may appeal the school board's decision to the ~~state board of education~~ commissioner. The ~~state board's~~ commissioner's decision regarding the number of credits shall be final.

The secondary credits granted to a pupil shall be counted toward the graduation requirements and subject area requirements of the school district. Evidence of successful completion of each course and secondary credits granted shall be included in the pupil's secondary school record. A pupil must provide the school with a copy of the pupil's grade in each course taken for secondary credit under this section. Upon the request of a pupil, the pupil's secondary school record shall also include evidence of successful completion and credits granted for a course taken for post-secondary credit. In either case, the record shall indicate that the credits were earned at a post-secondary institution.

If a pupil enrolls in a post-secondary institution after leaving secondary school, the post-secondary institution shall award post-secondary credit for any course successfully completed for secondary credit at that institution. Other post-secondary institutions may award, after a pupil leaves secondary school, post-secondary credit for any courses successfully completed under this section. An institution may not charge a pupil for the award of credit.

Sec. 12. Minnesota Statutes 1992, section 123.3514, subdivision 8, is amended to read:

Subd. 8. [TRANSPORTATION.] A parent or guardian of a pupil enrolled in a course for secondary credit may apply to the pupil's district of residence for reimbursement for transporting the pupil between the secondary school in which the pupil is enrolled and the post-secondary institution that the pupil attends. The ~~state board of education~~ *commissioner* shall establish guidelines for providing state aid to districts to reimburse the parent or guardian for the necessary transportation costs, which shall be based on financial need. The reimbursement may not exceed the pupil's actual cost of transportation or 15 cents per mile traveled, whichever is less. Reimbursement may not be paid for more than 250 miles per week. However, if the nearest post-secondary institution is more than 25 miles from the pupil's resident secondary school, the weekly reimbursement may not exceed the reimbursement rate per mile times the actual distance between the secondary school and the nearest post-secondary institution times ten. The state shall pay aid to the district according to the guidelines established under this subdivision. Chapter 14 does not apply to the guidelines.

Sec. 13. Minnesota Statutes 1992, section 123.71, subdivision 1, is amended to read:

Subdivision 1. Every school board shall, no later than October 1, publish the revenue and expenditure budgets submitted to the ~~commissioner of education~~ *commissioner* in accordance with section 121.908, subdivision 4, for the current year and the actual revenues, expenditures, fund balances for the prior year and projected fund balances for the current year in a form prescribed by the ~~state board of education~~ *commissioner* after consultation with the advisory council on uniform financial accounting and reporting standards. The forms prescribed shall be designed so that year to year comparisons of revenue, expenditures and fund balances can be made. These budgets, reports of revenue, expenditures and fund balances shall be published in a qualified newspaper of general circulation in the district.

Sec. 14. Minnesota Statutes 1992, section 124.09, is amended to read:

124.09 [SCHOOL ENDOWMENT FUND, APPORTIONMENT.]

The school endowment fund shall be apportioned semiannually by the ~~state board~~ *commissioner*, on the first Monday in March and October in each year, to districts whose schools have been in session at least nine months. The apportionment shall be in proportion to the number of pupils in average daily membership during the preceding year; provided, that apportionment shall not be paid to a district for pupils for whom tuition is received by the district.

Sec. 15. Minnesota Statutes 1992, section 124.10, subdivision 1, is amended to read:

Subdivision 1. A copy of the apportionment of the school endowment fund shall be furnished by the ~~state board~~ *commissioner* to the commissioner of finance, who thereupon shall draw warrants on the state treasury, payable to the several districts, for the amount due each district. There is hereby annually appropriated from the school endowment fund the amount of such apportionments.

Sec. 16. Minnesota Statutes 1992, section 124.14, subdivision 1, is amended to read:

Subdivision 1. The ~~state board~~ *commissioner* shall supervise distribution of school aids and grants in accordance with law. It may ~~make rules adopt guidelines~~ consistent with law for the distribution to enable districts to perform efficiently the services required by law and further education in the state, including reasonable requirements for the reports and accounts to it as will assure accurate and lawful apportionment of aids. State and federal aids and discretionary or entitlement grants distributed by the ~~state board~~ *commissioner* shall not be subject to the contract approval procedures of the commissioner of administration or to chapter 16A or 16B. The ~~commissioner of education~~ shall adopt internal procedures for administration and monitoring of aids and grants.

Sec. 17. Minnesota Statutes 1992, section 124.17, subdivision 2c, is amended to read:

Subd. 2c. Notwithstanding subdivision 2, in cases when school is in session but pupils are prevented from attending for more than 15 consecutive school days during the regular school year or five consecutive school days during summer school or intersession classes of flexible school year programs, because of epidemic, calamity, weather, fuel shortage, or other justifiable cause, the ~~state board~~ *commissioner*, upon application, may allow the district to continue to count these pupils in average daily membership. A lawful employees' strike is not a justifiable cause for purposes of this subdivision.

Sec. 18. Minnesota Statutes 1992, section 124.2725, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY.] A school district is eligible for cooperation and combination revenue if it has a plan approved by the ~~state board of education~~ *commissioner* according to section 122.243.

Sec. 19. Minnesota Statutes 1992, section 124.2725, subdivision 13, is amended to read:

Subd. 13. [REVENUE FOR EXTENDED COOPERATION.] If the ~~state board~~ *commissioner* disapproves of the plan according to section 122.243, subdivision 1, or if a second referendum fails under section 122.243, subdivision 2, cooperation and combination revenue shall equal \$50 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 \$50 times the actual pupil units. If the aid is insufficient to recover the entire amount, the ~~department of education~~ *commissioner* 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 \$50 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. 20. Minnesota Statutes 1992, section 124.276, subdivision 3, is amended to read:

Subd. 3. [STATE BOARD COMMISSIONER APPROVAL.] The ~~state board~~ *commissioner* may approve plans and applications for districts throughout the

state for career teacher aid. Application procedures and deadlines shall be established by the ~~state board~~ *commissioner*.

Sec. 21. Minnesota Statutes 1992, section 124.48, subdivision 1, is amended to read:

Subdivision 1. [AWARDS.] The ~~state board~~ *commissioner*, with the advice and counsel of the Minnesota Indian scholarship committee, may award scholarships to any Minnesota resident student who is of one-fourth or more Indian ancestry, who has applied for other existing state and federal scholarship and grant programs, and who, in the opinion of the ~~board~~ *commissioner*, has the capabilities to benefit from further education. Scholarships shall be for advanced or specialized education in accredited or approved colleges or in business, technical or vocational schools. Scholarships shall be used to defray the total cost of education including tuition, incidental fees, books, supplies, transportation, other related school costs and the cost of board and room and shall be paid directly to the college or school concerned. The total cost of education includes all tuition and fees for each student enrolling in a public institution and the portion of tuition and fees for each student enrolling in a private institution that does not exceed the tuition and fees at a comparable public institution. Each student shall be awarded a scholarship based on the total cost of the student's education and a standardized need analysis. The amount and type of each scholarship shall be determined through the advice and counsel of the Minnesota Indian scholarship committee.

When an Indian student satisfactorily completes the work required by a certain college or school in a school year the student is eligible for additional scholarships, if additional training is necessary to reach the student's educational and vocational objective. Scholarships may not be given to any Indian student for more than five years of study without special approval of the Minnesota Indian scholarship committee.

Sec. 22. Minnesota Statutes 1992, section 124.48, subdivision 3, is amended to read:

Subd. 3. [INDIAN SCHOLARSHIP COMMITTEE.] The Minnesota Indian scholarship committee is established. Members shall be appointed by the ~~state board~~ *commissioner* with the assistance of the Indian affairs council as provided in section 3.922, subdivision 6. Members shall be reimbursed for expenses as provided in section 15.059, subdivision 6. The ~~state board~~ *commissioner* shall determine the membership terms and duration of the committee, which expires no later than the date provided in section 15.059, subdivision 5. The committee shall provide advice to the ~~state board~~ *commissioner* in awarding scholarships to eligible American Indian students and in administering the ~~state board's~~ *commissioner's* duties regarding awarding of American Indian post-secondary preparation grants to school districts.

Sec. 23. Minnesota Statutes 1992, section 124.481, is amended to read:

124.481 [INDIAN POST-SECONDARY PREPARATION GRANTS.]

The ~~state board of education~~ *commissioner*, with the advice of the Minnesota Indian scholarship committee, may make grants to school districts to support post-secondary preparation for secondary pupils who are of one-fourth or more Indian ancestry and who, in the opinion of the superin-

tendent, have the capabilities to benefit from higher education. Distribution of the grants must be in accordance with a plan prepared by the ~~state board commissioner~~, with the advice of the Minnesota Indian scholarship committee, that describes the objectives and methods of implementing the grant program, including the manner in which grants will be distributed in proportion to the geographical distribution of the Indian population of the state.

Sec. 24. Minnesota Statutes 1992, section 124.573, subdivision 3, is amended to read:

Subd. 3. [COMPLIANCE WITH RULES.] Aid shall be paid under this section only for services rendered or for costs incurred in secondary vocational education programs approved by the ~~state department of education commissioner~~ and operated in accordance with rules promulgated by the ~~state board of education~~. These rules shall provide minimum student-staff ratios required for a secondary vocational education program in a cooperative center to qualify for this aid. The rules shall not require any minimum number of administrative staff, any minimum period of coordination time or extended employment for secondary vocational education personnel, or the availability of vocational student activities or organizations for a secondary vocational education program to qualify for this aid. The requirement in these rules that program components be available for a minimum number of hours shall not be construed to prevent pupils from enrolling in secondary vocational education courses on an exploratory basis for less than a full school year. The ~~state board of education~~ shall not require a school district to offer more than four credits or 560 hours of vocational education course offerings in any school year. Rules relating to secondary vocational education programs shall not incorporate the provisions of the state plan for vocational education by reference. This aid shall be paid only for services rendered and for costs incurred by essential, licensed personnel who meet the work experience requirements for licensure pursuant to the rules of the ~~state board of education~~. Licensed personnel means persons holding a valid secondary vocational license issued by the ~~department of education commissioner~~, except that when an average of five or fewer secondary full-time equivalent students are enrolled per teacher in an approved post-secondary program at intermediate district No. 287, 916, or 917, licensed personnel means persons holding a valid vocational license issued by the ~~department of education commissioner~~ or the state board for vocational technical education. Notwithstanding section 124.15, the commissioner may modify or withdraw the program or aid approval and withhold aid under this section without proceeding under section 124.15 at any time. To do so, the commissioner must determine that the program does not comply with rules of the state board or that any facts concerning the program or its budget differ from the facts in the district's approved application.

Sec. 25. Minnesota Statutes 1992, section 124A.27, subdivision 2, is amended to read:

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

Sec. 26. Minnesota Statutes 1992, section 125.185, subdivision 6, is amended to read:

Subd. 6. The ~~state board of education~~ *commissioner* shall provide all necessary materials and assistance for the transaction of the business of the board of teaching and all moneys received by the board of teaching shall be paid into the state treasury as provided by law. The expenses of administering sections 125.01 to 125.187 which are incurred by the board of teaching shall be paid for from appropriations made to the board of teaching.

Sec. 27. Minnesota Statutes 1992, section 126.151, subdivision 2, is amended to read:

Subd. 2. [ACCOUNTS OF THE ORGANIZATION.] The *commissioner* and the ~~state boards of education and board of~~ technical colleges may retain dues and other money collected on behalf of students participating in approved vocational student organizations and may deposit the money in separate accounts. The money in these accounts shall be available for expenditures for state and national activities related to specific organizations. Administration of money collected under this section is not subject to the provisions of chapters 15, 16A, and 16B, and may be deposited outside the state treasury. Money shall be administered under the policies of the applicable state board or agency relating to post-secondary and secondary vocational student organizations and is subject to audit by the legislative auditor. Any unexpended money shall not cancel but may be carried forward to the next fiscal year.

Sec. 28. Minnesota Statutes 1992, section 126.239, subdivision 3, is amended to read:

Subd. 3. [SUBSIDY FOR EXAMINATION FEES.] The state may pay all or part of the fee for advanced placement or international baccalaureate examinations for pupils in public and nonpublic schools whose circumstances make state payment advisable. The ~~state board of education~~ *commissioner* shall adopt a schedule for fee subsidies that may allow payment of the entire fee for low-income families, as defined by the ~~state board commissioner~~. The ~~state board commissioner~~ may also determine the circumstances under which the fee is subsidized, in whole or in part. The ~~state board commissioner~~ shall determine procedures for state payments of fees.

Sec. 29. Minnesota Statutes, 1992, section 126.267, is amended to read:

126.267 [TECHNICAL ASSISTANCE.]

The ~~state board of education~~ *commissioner* shall provide technical assistance to school districts receiving aid pursuant to section 124.273 and to post-secondary institutions for preservice and in-service training for bilingual education teachers and English as a second language teachers employed in educational programs for limited English proficient students, teaching methods, curriculum development, testing and testing mechanisms, and the development of instructional materials for these educational programs.

Sec. 30. Minnesota Statutes 1992, section 126.52, subdivision 8, is amended to read:

Subd. 8. [TECHNICAL ASSISTANCE.] The ~~state board~~ *commissioner* shall provide technical assistance to school districts, schools and post-secondary institutions for preservice and in-service training for American

Indian education teachers and teacher's aides, teaching methods, curriculum development, testing and testing mechanisms, and the development of materials for American Indian education programs.

Sec. 31. Minnesota Statutes 1992, section 126.52, subdivision 9, is amended to read:

Subd. 9. [APPLICATION FOR FUNDS.] The ~~state board~~ *commissioner* shall apply for money which may be available under federal programs for American Indian education, including funds for administration, demonstration projects, training, technical assistance, planning and evaluation.

Sec. 32. Minnesota Statutes 1992, section 126.56, subdivision 6, is amended to read:

Subd. 6. [INFORMATION.] The ~~higher education coordinating board~~ *commissioner*, in cooperation with the academic excellence foundation, shall assemble and distribute information about scholarships and eligible programs.

Sec. 33. Minnesota Statutes 1992, section 126.56, subdivision 7, is amended to read:

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

Delete the title and insert:

"A bill for an act relating to education; providing for general education revenue, transportation, special programs, community services, facilities and equipment, education organization and cooperation, other aids and levies, other education programs, miscellaneous education matters, libraries, state education agencies, maximum effort school loan bonds; authorizing the issuance of bonds; raising income tax rates; appropriating money; amending Minnesota Statutes 1992, sections 3.873, subdivisions 4, 5, 6, 7, and 9; 16A.1541; 120.062, subdivision 9; 120.0621, by adding a subdivision; 120.064, subdivisions 1, 3, 4, 5, 8, 9, 11, 18, 21, and by adding a subdivision; 120.101, subdivisions 5 and 5b; 120.102, subdivision 1; 120.105; 120.17, subdivisions 2, 3, 11a, 11b, 12, 14, 15, and by adding subdivisions; 121.11, subdivisions 7, 12, and by adding subdivisions; 121.14; 121.16, subdivision 1; 121.585, subdivision 2; 121.612, subdivisions 2 and 4; 121.831; 121.87, subdivision 1; 121.88, subdivisions 1, 4, 7, and 10; 121.904, subdivisions 4a and 14; 121.906; 121.908, subdivisions 1 and 2; 121.912, subdivision 6; 121.931, subdivision 5; 122.23, subdivision 18, and by adding a subdivision; 122.243, subdivision 2; 122.895, subdivision 2, and by adding a subdivision; 123.33, by adding a subdivision; 123.34, subdivisions 9 and 10; 123.35, subdivision 1; 123.3514, subdivisions 6, 6b, and 6c; 123.36, by adding a subdivision; 123.38, subdivisions 2 and 2b; 123.39, by adding a subdivision; 123.702, subdivisions 1, 1a, 3, and 5; 123.7045; 123.80, subdivision 1; 123.951; 124.17, subdivisions 1, 1, and by adding a subdivision; 124.19, subdivisions 1, 4, 5, and 5; 124.195, subdivisions 9, 9, and 10; 124.225, subdivisions 1, 1, 3a, 7b, 7d, 7e, 8a, and 10; 124.226, subdivisions 3, 5, 9, and by adding a subdivision; 124.243, subdivisions 2, 2a, 3, 6, and by adding a subdivision; 124.244, subdivisions 1 and 2; 124.245, subdivision 6; 124.26, subdivisions 1c and 2; 124.2601, subdivisions 4 and 6; 124.2615, subdivisions 2 and 3; 124.2711, subdivisions 1, 2a, and by adding subdivisions; 124.2713, subdivisions 2, 6, and by adding

subdivisions; 124.2714; 124.2716; 124.2725, subdivisions 2, 4, 5, 6, 10, and 13; 124.2727; 124.273, subdivision 1b, and by adding a subdivision; 124.32, subdivisions 1b, 1d, and by adding subdivisions; 124.321, subdivisions 1 and 2; 124.322, subdivisions 2, 3, 4, and by adding a subdivision; 124.431, subdivisions 1a and 14; 124.573, subdivisions 2b, 3, and by adding subdivisions; 124.574, subdivision 2b; 124.83, subdivisions 1, 2, 4, 6, and by adding a subdivision; 124.85, subdivisions 1, 4, and 5; 124.91, subdivision 5; 124.912, by adding a subdivision; 124.914, by adding a subdivision; 124.916, subdivisions 2 and 3; 124.95, subdivisions 1, 2, 2a, 3, 3, and 4; 124.961; 124A.02, by adding a subdivision; 124A.03, subdivisions 1e, 1f, 1g, and by adding a subdivision; 124A.036, subdivision 5; 124A.04, subdivision 2; 124A.22, subdivisions 4, 4a, 5, 6, 9, and by adding subdivisions; 124A.23, subdivisions 1, 5, and 5; 124A.24; 124A.26, subdivision 1; 124A.29, subdivision 1; 124A.291; 124C.08, subdivisions 1 and 2; 124C.09; 124C.48, by adding a subdivision; 125.032, subdivision 2; 125.05, subdivisions 1a and 1a; 125.138; 126.22, subdivision 8; 126.67, subdivision 8; 126.70; 127.455; 127.46; 128B.10, subdivision 1; 144.29; 144.4165; 171.29, subdivision 2; 273.1398, subdivision 2a; 275.065, subdivision 6; 275.48; 290.06, subdivisions 2c and 2d; 290.091, subdivisions 1, 2, and 6; 475.61, subdivision 3; and 609.685, subdivision 3, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 121; 124; 124A; 124C; 125; 126; 126B; 128A; and 290; repealing Minnesota Statutes 1992, sections 120.095; 120.101, subdivisions 5a and 5b; 120.75; subdivision 2; 120.80, subdivision 2; 121.11, subdivisions 6, 13, 15, and 16; 121.165; 121.19; 121.49; 121.496; 121.585, subdivision 3; 121.609; 121.883; 121.90; 121.901; 121.902; 121.904, subdivisions 5, 6, 8, 9, 10, 11a, and 11c; 121.908, subdivision 4; 121.9121, subdivisions 3 and 5; 121.931, subdivisions 6, 6a, 7, and 8; 121.934; 121.935; 121.936, subdivisions 1, 2, and 3; 121.937; 121.94; 121.941; 121.942; 121.943; 122.91; 122.95; 123.33, subdivisions 10, 14, 15, and 16; 123.35, subdivision 14; 123.351; 123.352; 123.36, subdivisions 2, 3, 4, 4a, 6, 8, 9, and 12; 123.40, subdivisions 4 and 6; 123.58; 123.61; 123.67; 123.709; 123.744; 124.19, subdivisions 1, 1b, 6, and 7; 124.197; 124.2721; 124.2725, subdivision 8; 124.2727, subdivisions 6 and 7; 124.32, subdivision 5; 124.331; 124.332; 124.333; 124.573, subdivisions 2c and 2d; 124.575, subdivisions 2 and 4; 124.615; 124.62; 124.64; 124.645; 124.67; 124.68; 124.69; 124.79; 124.912, subdivisions 4 and 5; 124A.26, subdivision 1a; 124A.27, subdivision 1; 125.05; subdivision 1b; 125.12, subdivisions 3a and 4a; 125.17, subdivisions 2a and 3a; 126.02; 126.025; 126.031; 126.06; 126.08; 126.09; 126.111; 126.112; 126.12, subdivision 2; 126.20, subdivision 4; 126.24; 126.268; 126.662; 126.663; 126.664; 126.665; 126.666; 126.67; 126.68; 126A.01; 126A.02; 126A.03; 126A.04; 126A.05; 126A.07; 126A.08; 126A.09; 126A.10; 126A.11; and 126A.12; Laws 1991, chapter 265, article 4, section 29; Laws 1991, chapter 256, article 8, section 14, as amended by Laws 1992, chapter 499, article 7, section 14; Laws 1991, chapter 265, article 1, section 30; Laws 1991, chapter 265, article 2, section 19."

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

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 bill was read the first time.

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

S.F. No. 1620: A bill for an act relating to the organization and operation of state government; appropriating money for the general legislative, judicial, and administrative expenses of state government; providing for the transfer of certain money in the state treasury; fixing and limiting the amount of fees, penalties, and other costs to be collected in certain cases; amending Minnesota Statutes 1992, sections 8.15; 15.38, by adding a subdivision; 15.50, by adding a subdivision; 15A.083, by adding a subdivision; 196.051, subdivision 3; 196.054, subdivision 2; 198.16; 270.063; 303.13, subdivision 1; 303.21, subdivision 3; 322A.16; 333.20, subdivision 4; 333.22, subdivision 1; 336.9-403; 336.9-404; 336.9-405; 336.9-406; 336.9-407; 336.9-413; 336A.04, subdivision 3; 336A.09, subdivision 2; 349A.10, subdivision 5; 357.021, subdivisions 1a and 2; 357.022; 357.08; 357.18, subdivision 3; 386.61, by adding a subdivision; 386.65; 386.66; 386.67; 386.68; 386.69; 508.82; 508A.82; and 593.48; Laws 1989, chapter 335, article 3, section 44, as amended; proposing coding for new law in Minnesota Statutes, chapters 129D; 386; and 609; repealing Minnesota Statutes 1992, sections 386.61, subdivision 3; 386.63; 386.64; and 386.70.

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

RECESS

Mr. Moe, R.D. moved that the Senate do now recess until 11:00 a.m. The motion prevailed.

The hour of 11:00 a.m. having arrived, the President called the Senate to order.

CALL OF THE SENATE

Mr. Berg imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

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. 1407: Mr. Stumpf, Ms. Wiener, Mr. Price, Mrs. Benson, J.E. and Mr. Solon.

H.F. No. 163: Messrs. Marty; Johnson, D.E.; Luther; Chandler and Ms. Reichgott.

S.F. No. 1570: Messrs. Morse, Merriam; Laidig, Ms. Johnson, J.B. and Mr. Lessard.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1496 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1496: A bill for an act relating to health care and family services; the organization and operation of state government; appropriating money for human services, health, and other purposes with certain conditions; establishing and modifying certain programs; providing penalties; appropriating money; amending Minnesota Statutes 1992, sections 62A.045; 144.122; 144.123, subdivision 1; 144.215, subdivision 3; 144.226, subdivision 2; 144.3831, subdivision 2; 144.802, subdivision 1; 144.98, subdivision 5; 144A.071; 144A.073, subdivisions 2, 3, and by adding a subdivision; 147.01, subdivision 6; 147.02, subdivision 1; 148C.01, subdivisions 3 and 6; 148C.02; 148C.03, subdivisions 1, 2, and 3; 148C.04, subdivisions 2, 3, and 4; 148C.05, subdivision 2; 148C.06; 148C.11, subdivision 3, and by adding a subdivision; 149.04; 157.045; 198.34; 214.04, subdivision 1; 214.06, subdivision 1, and by adding a subdivision; 245.464, subdivision 1; 245.466, subdivision 1; 245.474; 245.4873, subdivision 2; 245.652, subdivisions 1 and 4; 246.02, subdivision 2; 246.151, subdivision 1; 246.18, subdivision 4; 252.025, subdivision 4, and by adding subdivisions; 252.275, subdivision 8; 252.50, by adding a subdivision; 253.015, subdivision 1, and by adding subdivisions; 253.202; 254.04; 254.05; 254A.17, subdivision 3; 256.015, subdivision 4; 256.025, subdivisions 1, 2, 3, and 4; 256.73, subdivisions 2, 3a, 5, and 8; 256.736, subdivisions 10, 10a, 14, 16, and by adding a subdivision; 256.737, subdivisions 1, 1a, 2, and by adding subdivisions; 256.74, subdivision 1; 256.78; 256.9657, subdivisions 1, 2, 3, 4, 7, and by adding subdivisions; 256.9685, subdivision 1; 256.969, subdivisions 1, 8, 9, as amended, and 22, as amended; 256.9695, subdivision 3; 256.983, subdivision 3; 256B.042, subdivision 4; 256B.055, subdivision 1; 256B.056, subdivisions 1a and 2; 256B.0575; 256B.059, subdivisions 3 and 5; 256B.0595, subdivisions 1, 2, 3, and 4; 256B.0625, subdivisions 13, 13a, 15, 17, 25, 28, 29, and by adding subdivisions; 256B.0913, subdivision 5; 256B.0915, subdivision 3; 256B.15, subdivisions 1 and 2; 256B.19, subdivision 1b, and by adding subdivisions; 256B.37, subdivisions 3, 5, and by adding a subdivision; 256B.421, subdivision 14; 256B.431, subdivisions 2b, 2c, 13, 14, 15, 21, and by adding subdivisions; 256B.432, by adding a subdivision; 256B.48, subdivision 1; 256B.50, subdivision 1b, and by adding subdivisions; 256B.501, subdivisions 1, 3g, 3i, and by adding a subdivision; 256D.03, subdivisions 3, 4, and 8; 256D.05, by adding a subdivision; 256D.051, subdivisions 1, 1a, 2, 3, and 6; 256D.35, subdivision 3a; 256D.44, subdivisions 2 and 3; 256F.06, subdivision 2; 256I.01; 256I.02; 256I.03, subdivisions 2, 3, and by adding subdivisions; 256I.04, subdivisions 1, 2, 3, and by adding subdivisions; 256I.05, subdivisions 1, 1a, 8, and by adding a subdivision; 256I.06; 257.3573, by adding a subdivision; 257.54; 257.541; 257.55, subdivision 1; 257.57, subdivision 2; 257.73, subdivision 1; 257.74, subdivision 1; 259.431, subdivision 5; 273.1392; 273.1398, subdivision 5b; 275.07, subdivision 3; 326.44; 326.75, subdivision 4; 388.23, subdivision 1; 393.07, subdivisions 3 and 10; 518.156, subdivision 1; 518.551, subdivision 5; 518.64, subdivision 2; 609.821, subdivisions 1 and 2; 626.559, by adding a subdivision; Laws 1991, chapter 292, article 6, section 57, subdivisions 1 and 3; and Laws 1992, chapter 513, article 7,

section 131; proposing coding for new law in Minnesota Statutes, chapters 136A; 245; 246; 256; 256B; 256E; 256F; 257; and 514; proposing coding for new law as Minnesota Statutes, chapters 246B; and 252B; repealing Minnesota Statutes 1992, sections 144A.071, subdivisions 4 and 5; 148B.72; 256.985; 256I.03, subdivision 4; 256I.05, subdivisions 4, 9, and 10; 256I.051; 273.1398, subdivisions 5a and 5c.

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 50 and nays 10, as follows:

Those who voted in the affirmative were:

Adkins	Dille	Kelly	McGowan	Pogemiller
Anderson	Finn	Krentz	Merriam	Price
Beckman	Flynn	Kroening	Moe, R.D.	Ranum
Berg	Frederickson	Laidig	Mondale	Reichgott
Berglin	Hottinger	Langseth	Morse	Riveness
Bertram	Janezich	Larson	Murphy	Sams
Chandler	Johnson, D.E.	Lesewski	Neuville	Samuelson
Chmielewski	Johnson, D.J.	Lessard	Novak	Spear
Cohen	Johnson, J.B.	Luther	Pappas	Stevens
Day	Johnston	Marty	Piper	Vickerman

Those who voted in the negative were:

Belanger	Benson, J.E.	Oliver	Pariseau	Runbeck
Benson, D.D.	Kiscaden	Olson	Robertson	Terwilliger

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS – CONTINUED

Mr. Moe, R.D. moved that H.F. No. 1709 be taken from the table. The motion prevailed.

H.F. No. 1709: A bill for an act relating to the organization and operation of state government; appropriating money for the department of transportation and other agencies with certain conditions; fixing and limiting accounts and fees; amending Minnesota Statutes 1992, sections 11A.21, subdivision 1; 161.081; 161.39, by adding a subdivision; 169.121, subdivision 7; 169.123, subdivision 5a; 171.02, subdivision 1; 171.06, subdivisions 2 and 4; 171.07, by adding a subdivision; 171.11; 171.22, subdivision 1; 174.02, by adding a subdivision; 296.02, subdivision 1a; 296.025, subdivision 1a; Laws 1992, chapter 513, article 3, section 77; proposing coding for new law in Minnesota Statutes, chapter 161; repealing Minnesota Statutes 1992, sections 171.20, subdivision 1; 296.01, subdivision 4; and 296.026.

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. 1709 and that the rules of the Senate be so far suspended as to give H.F. No. 1709 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 1709 was read the second time.

Mr. Langseth moved to amend H.F. No. 1709 as follows:

Delete everything after the enacting clause, and delete the title, of H.F. No. 1709, and insert the language after the enacting clause, and the title, of S.F. No. 1251, the third engrossment.

The motion prevailed. So the amendment was adopted.

Ms. Johnston moved to amend H.F. No. 1709, as amended by the Senate April 23, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 1251.)

Page 12, after line 24, insert:

“Sec. 9. [CONSTITUTIONAL AMENDMENT PROPOSED.]

An amendment to the Minnesota Constitution is proposed to the people. If the amendment is adopted, article XIV, section 12, will read:

Sec. 12. The net proceeds of any tax levied on the purchase price of a motor vehicle, acquired either in or outside of the state and required to be registered under the laws of this state, must be credited to the highway user tax distribution fund and to a transit assistance fund according to the following schedule:

- (1) for the period July 1, 1995, to June 30, 1997, 50 percent;*
- (2) for the period July 1, 1997, to June 30, 1998, 60 percent;*
- (3) for the period July 1, 1998, to June 30, 1999, 70 percent;*
- (4) for the period July 1, 1999, to June 30, 2000, 80 percent;*
- (5) for the period July 1, 2000, to June 30, 2001, 90 percent; and*
- (6) after June 30, 2001, 100 percent.*

Of these distributions, 75 percent must be allocated to the highway user tax distribution fund and 25 percent must be allocated to a transit assistance fund to be expended for transit-related purposes.

Sec. 10. [SUBMISSION TO VOTERS.]

The proposed amendment must be submitted to the people at the 1994 general election. The question to be submitted is:

“Shall the Minnesota Constitution be amended to dedicate, over a six-year period, the proceeds of a tax on the purchase price of a motor vehicle to the highway user tax distribution fund and to a transit assistance fund?”

Yes

No ” ”

Page 20, line 14, delete “and” and after “296.026” insert “; and 297B.09, subdivision 3,”

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 6, before "defining" insert "proposing an amendment to the Minnesota Constitution, article XIV; dedicating net proceeds of motor vehicle excise tax to transportation and abolishing deposit of proceeds to local government trust fund;"

Page 1, line 22, delete "and" and after "296.026" insert "; and 297B.09, subdivision 3"

CALL OF THE SENATE

Mr. Belanger imposed a call of the Senate for the balance of the proceedings on H.F. No. 1709. The Sergeant at Arms was instructed to bring in the absent members.

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

The roll was called, and there were yeas 25 and nays 40, as follows:

Those who voted in the affirmative were:

Belanger	Finn	Kiscaden	McGowan	Pariseau
Benson, J.E.	Frederickson	Knutson	Metzen	Robertson
Bertram	Hottinger	Laidig	Neuville	Runbeck
Chmielewski	Johnson, D.E.	Larson	Oliver	Stevens
Day	Johnston	Lesewski	Olson	Terwilliger

Those who voted in the negative were:

Adkins	Cohen	Langseth	Murphy	Riveness
Anderson	Flynn	Lessard	Novak	Sams
Beckman	Janezich	Luther	Pappas	Samuelson
Benson, D.D.	Johnson, D.J.	Marty	Piper	Solon
Berg	Johnson, J.B.	Merriam	Pogemiller	Spear
Berglin	Kelly	Moe, R.D.	Price	Stumpf
Betzold	Krentz	Mondale	Ranum	Vickerman
Chandler	Kroening	Morse	Reichgott	Wiener

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

Mr. Langseth moved to amend H.F. No. 1709, as amended by the Senate April 23, 1993, as follows:

(The text of the amended House File is identical to S.F. No. 1251.)

Pages 1 to 11, delete sections 1 to 5 and insert:

"Section 1. [TRANSPORTATION AND OTHER AGENCIES; APPROPRIATIONS.]

The sums shown in the columns marked "APPROPRIATIONS" are appropriated from the general fund, or another named fund, to the agencies and for the purposes specified in this act, to be available for the fiscal years indicated for each purpose. The figures "1993," "1994," and "1995," where used in this act, mean that the appropriation or appropriations listed under them are available for the year ending June 30, 1993, June 30, 1994, or June 30, 1995, respectively.

SUMMARY BY FUND

1993	1994	1995	TOTAL
General	\$ 42,115,000	\$ 42,015,000	\$ 84,130,000
Airports			
\$385,000	15,684,000	15,681,000	31,750,000
C.S.A.H.	246,890,000	247,890,000	494,780,000
Environmental	200,000	200,000	400,000
Highway User	11,551,000	11,458,000	23,009,000
M.S.A.S.	71,990,000	71,990,000	143,980,000
Special Revenue	792,000	792,000	1,584,000
Trunk Highway	750,154,000	756,353,000	1,506,507,000
Transfers to Other			
Direct	(2,398,000)	(2,346,000)	(4,744,000)
TOTAL			
\$385,000	1,136,978,000	1,144,033,000	2,281,396,000

APPROPRIATIONS

Available for the Year

Ending June 30

1994

1995

Sec. 2. TRANSPORTATION

Subdivision 1. Total

Appropriation	385,000	1,032,435,000	1,040,194,000
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The appropriations in this section are from the trunk highway fund, except when another fund is named.

Summary by Fund

General	9,183,000	9,183,000
Airports \$385,000	15,684,000	15,681,000
C.S.A.H.	246,890,000	247,890,000
Environmental	200,000	200,000
M.S.A.S.	71,990,000	71,990,000
Trunk Highway	688,488,000	695,250,000

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Aeronautics	15,492,000	15,487,000
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This appropriation is from the state airports fund.

The amounts that may be spent from this appropriation for each activity are as follows:

(a) Airport Development and Assistance

1993	1994	1995
385,000	11,005,000	10,841,000

\$1,887,000 the first year and \$2,146,000 the second year are for navigational aids.

\$6,810,000 the first year and \$6,387,000 the second year are for airport construction grants.

\$2,100,000 the first year and \$2,100,000 the second year are for airport maintenance grants.

If the appropriation for either year for navigational aids, airport construction grants, or airport maintenance grants is insufficient, the appropriation for the other year is available for it. The appropriations for construction grants and maintenance grants must be expended only for grant-in-aid programs for airports that are not state owned.

These appropriations must be expended in accordance with Minnesota Statutes, section 360.305, subdivision 4.

The commissioner of transportation may transfer unencumbered balances among the appropriations for airport development and assistance with the approval of the governor after consultation with the legislative advisory commission.

\$8,000 the first year and \$8,000 the second year are for maintenance of the Pine Creek Airport.

\$200,000 the first year and \$200,000 the second year are for air service grants.

(b) Civil Air Patrol

65,000	65,000
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(c) Aeronautics Administration

4,422,000	4,581,000
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\$15,000 the first year and \$15,000 the second year are for the advisory council on metropolitan airport planning. The commissioner of transportation shall transfer these funds to the legislative co-

ordinating commission by July 15 of each year.(d) 1993 Deficiency Appropriation

\$385,000 is appropriated from the state airports fund, to be used in conjunction with funds provided by the Canadian government for airport construction at the Piney-Pine Creek Border Airport, and is available until the project is either completed or abandoned.

Subd. 3. Transit	9,087,000	9,089,000
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Summary by Fund

General	8,789,000	8,789,000
Trunk Highway	298,000	300,000

Any unencumbered balance remaining in the first year does not cancel but is available for the second year of the biennium.

The amounts that may be spent from this appropriation for each activity are as follows:

(a) Greater Minnesota Transit Assistance

8,394,000	8,394,000
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(b) Transit Administration

693,000	695,000
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Summary by Fund

General	395,000	395,000
Trunk Highway	298,000	300,000

Subd. 4. Railroads and Waterways

1,134,000	1,134,000
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Summary by Fund

General	241,000	241,000
Trunk Highway	893,000	893,000

Subd. 5. Motor Carrier Regulation

2,177,000	2,177,000
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Summary by Fund

General	107,000	107,000
Trunk Highway	2,070,000	2,070,000

Subd. 6. Local Roads

319,950,000	320,950,000
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Summary by Fund

C.S.A.H.	246,890,000	247,890,000
M.S.A.S.	71,990,000	71,990,000
Trunk Highway	1,070,000	1,070,000

The amounts that may be spent from this appropriation for each activity are as follows:

(a) County State Aids

246,890,000	247,890,000
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This appropriation is from the county state-aid highway fund and is available until spent.

(b) Municipal State Aids

71,990,000	71,990,000
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This appropriation is from the municipal state-aid street fund and is available until spent.

If an appropriation for either county state aids or municipal state aids does not exhaust the balance in the fund from which it is made in the year for which it is made, the commissioner of finance, upon request of the commissioner of transportation, shall notify the committee on finance of the senate and the committee on ways and means of the house of representatives of the amount of the remainder and shall then add that amount to the appropriation. The amount added is appropriated for the purposes of county state aids or municipal state aids, as appropriate.

(c) State Aid Technical Assistance

1,070,000	1,070,000
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Subd. 7. State Road Construction	360,961,000	363,335,000
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Summary by Fund

Environmental	200,000	200,000
Trunk Highway	360,761,000	363,135,000

The amounts that may be spent from this appropriation for each activity are as follows:

(a) State Road Construction

338,295,000 337,863,000

Summary by Fund

Environmental	200,000	200,000
Trunk Highway	338,095,000	337,663,000

It is estimated that the appropriation from the trunk highway fund will be funded as follows:

Federal Highway Aid

185,000,000 185,000,000

Highway User Taxes

153,095,000 152,663,000

The commissioner of transportation shall notify the chair of the committee on finance of the senate and chair of the committee on ways and means of the house of representatives promptly of any events that should cause these estimates to change.

This appropriation is for the actual construction, reconstruction, and improvement of trunk highways. This includes the cost of actual payment to landowners for lands acquired for highway right-of-way, payment to lessees, interest subsidies, and relocation expenses.

(b) Highway Debt Service

14,380,000 17,186,000

\$14,380,000 the first year and \$12,486,000 the second year are for transfer to the state bond fund.

If this appropriation is insufficient to make all transfers required in the year for which it is made, the commissioner of finance shall notify the committee on finance of the senate and the committee on ways and means of the house of representatives of the amount of the deficiency and shall then transfer that amount under the statutory open appropriation.

Any excess appropriation must be canceled to the trunk highway fund.

(c) Highway Program Administration

2,042,000 2,042,000

\$243,000 the first year and \$243,000 the second year are available for grants to regional development commissions outside the seven-county metropolitan area for transportation studies to identify critical concerns, problems, and issues.

\$180,000 the first year and \$180,000 the second year are available for grants to metropolitan planning organizations outside the seven-county metropolitan area.

(d) Transportation Data Analysis

3,279,000 3,279,000

(e) Research and Strategic Initiatives

2,965,000 2,965,000

\$75,000 the first year and \$75,000 the second year are for a transportation research contingent account to finance research projects that are reimbursable from the federal government or from other sources. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Subd. 8. Highway Program Delivery	115,223,000	115,268,000
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(a) Design Engineering

50,493,000 50,538,000

(b) Construction Engineering

64,730,000 64,730,000

Subd. 9. State Road Operations	167,554,000	171,941,000
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(a) State Road Operations

157,994,000 162,381,000

(b) Electronic Communications

3,339,000 3,339,000

(c) Traffic Engineering

6,221,000 6,221,000

Subd. 10. Equipment	15,493,000	15,493,000
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Summary by Fund

General	5,000	5,000
Airports	59,000	59,000
Trunk Highway	15,429,000	15,429,000

If the appropriation for either year is

insufficient, the appropriation for the other year is available for it.

Subd. 11. General Administration 25,364,000 25,320,000

Summary by Fund

General	41,000	41,000
Airports	133,000	135,000
Trunk Highway	25,190,000	25,144,000

The amounts that may be spent from this appropriation for each activity are as follows:

(a) General Management

15,022,000 15,022,000

(b) General Services

8,718,000 8,672,000

Summary by Fund

General	41,000	41,000
Airports	75,000	75,000
Trunk Highway	8,602,000	8,556,000

\$2,045,000 the first year and \$2,045,000 the second year are for data processing development. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

The commissioner of transportation shall manage the department of transportation in such a manner as to provide seasonal employees of the department with the maximum feasible amount of employment security consistent with the efficient delivery of department programs.

(c) Legal Services

1,566,000 1,566,000

This appropriation is for the purchase of legal services from or through the attorney general.

(d) Air Transportation Services

58,000 60,000

This appropriation is from the state airports fund.

Subd. 12. Transfers

The commissioner of transportation with

the approval of the commissioner of finance may transfer unencumbered balances among the appropriations from the trunk highway fund and the state airports fund made in this section. No transfer may be made from the appropriation for trunk highway development. No transfer may be made from the appropriations for debt service to any other appropriation. Transfers may not be made between funds. Transfers must be reported immediately to the committee on finance of the senate and the committee on ways and means of the house of representatives.

Subd. 13. Contingent Appropriation

The commissioner of transportation, with the approval of the governor after consultation with the legislative advisory commission, may transfer all or part of the unappropriated balance in the trunk highway fund to an appropriation for trunk highway design, construction, or inspection in order to take advantage of an unanticipated receipt of income to the trunk highway fund, or to trunk highway maintenance in order to meet an emergency, or to pay tort or environmental claims. The amount transferred is appropriated for the purpose of the account to which it is transferred.

Sec. 3. REGIONAL TRANSIT BOARD

27,130,000 27,130,000

Of this amount, \$11,850,000 the first year and \$11,850,000 the second year are for the metropolitan transit commission. The regional transit board must not reduce this appropriation to the metropolitan transit commission.

\$12,670,000 the first year and \$12,670,000 the second year are for Metro Mobility. The regional transit board must not spend any money for metro mobility outside this appropriation.

If an appropriation in this section for either year is insufficient, the appropriation for the other year is available for it.

Sec. 4. TRANSPORTATION REGULATION BOARD

705,000 707,000

This appropriation is from the trunk highway fund.

Sec. 5. PUBLIC SAFETY

Subdivision 1. Total Appropriation	75,716,000	75,010,000
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Summary by Fund

General	5,802,000	5,702,000
Highway User	11,426,000	11,333,000
Special Revenue	792,000	792,000
Trunk Highway	60,094,000	59,529,000
Transfers to Other		
Direct	(2,398,000)	(2,346,000)

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Administration and Related Services

4,640,000	4,473,000
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Summary by Fund

General	552,000	522,000
Highway User	19,000	19,000
Trunk Highway	4,069,000	3,932,000

\$326,000 the first year and \$326,000 the second year are for payment of public safety officer survivor benefits under Minnesota Statutes, section 299A.44. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Subd. 3. State Patrol

40,437,000	39,520,000
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Summary by Fund

General	389,000	389,000
Highway User	90,000	90,000
Trunk Highway	39,958,000	39,041,000

During the biennium ending June 30, 1995, no more than five positions, excluding the chief patrol officer, in the state patrol support activity may be filled by state troopers.

During the biennium ending June 30, 1995, the commissioner may purchase other motor fuel when gasohol is not available for the operation of state patrol vehicles.

Subd. 4. Driver and Vehicle Services

29,680,000	30,058,000
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Summary by Fund

General	3,567,000	3,534,000
Highway User	10,152,000	10,074,000
Trunk Highway	15,905,000	16,394,000
Special Revenue	56,000	56,000

This appropriation is from the bicycle transportation account in the special revenue fund.

\$553,000 the first year and \$1,105,000 the second year are for the development of new drivers' licenses and identification cards, to be issued beginning January 1, 1994, that are more difficult to alter.

\$43,000 the first year and \$43,000 the second year are transferred to the commissioner of human services for reimbursement for chemical use assessments of juveniles under Minnesota Statutes, section 260.151.

Subd. 5. Traffic Safety

223,000 223,000

Summary by Fund

General	61,000	61,000
Trunk Highway	162,000	162,000

Subd. 6. Pipeline Safety

736,000 736,000

This appropriation is from the pipeline safety account in the special revenue fund.

Subd. 7. Transfers

The commissioner of public safety with the approval of the commissioner of finance may transfer unencumbered balances not specified for a particular purpose among the programs within a fund. Transfers must be reported immediately to the committee on finance of the senate and the committee on ways and means of the house of representatives.

Subd. 8. Reimbursements

(a) \$1,233,000 the first year and \$1,196,000 the second year are appropriated from the general fund for transfer by the commissioner of finance to the trunk

highway fund on January 1, 1994, and January 1, 1995, respectively, in order to reimburse the trunk highway fund for expenses not related to the fund. These represent amounts appropriated out of the trunk highway fund for general fund purposes in the administration and related services program.

(b) \$449,000 the first year and \$434,000 the second year are appropriated from the highway user tax distribution fund for transfer by the commissioner of finance to the trunk highway fund on January 1, 1994, and January 1, 1995, respectively, in order to reimburse the trunk highway fund for expenses not related to the fund. These represent amounts appropriated out of the trunk highway fund for highway user fund purposes in the administration and related services program.

(c) \$716,000 the first year and \$716,000 the second year are appropriated from the highway user tax distribution fund for transfer by the commissioner of finance to the general fund on January 1, 1994, and January 1, 1995, respectively, in order to reimburse the general fund for expenses not related to the fund. These represent amounts appropriated out of the general fund for operation of the criminal justice data network related to driver and motor vehicle licensing."

Page 13, delete section 11

Pages 18 and 19, delete section 20

Page 20, delete section 23

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 6, delete everything before "establishing"

Page 1, delete lines 8 to 11

Page 1, line 17, delete everything after the first semicolon

Page 1, line 18, after the first semicolon, insert "and" and delete "and"

Page 1, line 19, delete everything before "proposing"

The motion prevailed. So the amendment was adopted.

H.F. No. 1709 was read the third time 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 58 and nays 8, as follows:

Those who voted in the affirmative were:

Adkins	Dille	Knutson	Morse	Runbeck
Beckman	Finn	Krentz	Murphy	Sams
Belanger	Flynn	Laidig	Neuville	Samuelson
Benson, D.D.	Frederickson	Langseth	Oliver	Solon
Benson, J.E.	Hottinger	Larson	Olson	Spear
Berg	Janezich	Lesewski	Pariseau	Stevens
Berglin	Johnson, D.E.	Lessard	Piper	Stumpf
Bertram	Johnson, D.J.	Luther	Pogemiller	Terwilliger
Betzold	Johnson, J.B.	McGowan	Price	Vickerman
Chmielewski	Johnston	Merriam	Reichgott	Wiener
Cohen	Kelly	Metzen	Riveness	
Day	Kiscaden	Moe, R.D.	Robertson	

Those who voted in the negative were:

Anderson	Kroening	Mondale	Pappas	Ranum
Chandler	Marty	Novak		

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

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Langseth moved that S.F. No. 1251, No. 231 on General Orders, be stricken and laid on the table. The motion prevailed.

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 S.F. No. 1620 and that the rules of the Senate be so far suspended as to give S.F. No. 1620 its second and third reading and place it on its final passage. The motion prevailed.

S.F. No. 1620 was read the second time.

S.F. No. 1620: A bill for an act relating to the organization and operation of state government; appropriating money for the general legislative, judicial, and administrative expenses of state government; providing for the transfer of certain money in the state treasury; fixing and limiting the amount of fees, penalties, and other costs to be collected in certain cases; amending Minnesota Statutes 1992, sections 8.15; 15.38, by adding a subdivision; 15.50, by adding a subdivision; 15A.083, by adding a subdivision; 196.051, subdivision 3; 196.054, subdivision 2; 198.16; 270.063; 303.13, subdivision 1; 303.21, subdivision 3; 322A.16; 333.20, subdivision 4; 333.22, subdivision 1; 336.9-403; 336.9-404; 336.9-405; 336.9-406; 336.9-407; 336.9-413; 336A.04, subdivision 3; 336A.09, subdivision 2; 349A.10, subdivision 5; 357.021, subdivisions 1a and 2; 357.022; 357.08; 357.18, subdivision 3; 386.61; by adding a subdivision; 386.65; 386.66; 386.67; 386.68; 386.69; 508.82; 508A.82; and 593.48; Laws 1989, chapter 335, article 3, section 44, as amended; proposing coding for new law in Minnesota Statutes, chapters 129D; 386; and 609; repealing Minnesota Statutes 1992, sections 386.61, subdivision 3; 386.63; 386.64; and 386.70.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Day	Krentz	Morse	Robertson
Anderson	Dille	Kroening	Murphy	Sams
Beckman	Finn	Langseth	Neuville	Solon
Belanger	Flynn	Larson	Novak	Spear
Benson, D.D.	Frederickson	Lesewski	Oliver	Stevens
Benson, J.E.	Hottinger	Lessard	Olson	Stumpf
Berg	Janezich	Luther	Pappas	Terwilliger
Berglin	Johnson, D.E.	Marty	Piper	Vickerman
Bertram	Johnson, D.J.	McGowan	Pogemiller	Wiener
Betzold	Johnson, J.B.	Merriam	Price	
Chandler	Kelly	Metzen	Ranum	
Chmielewski	Kiscaden	Moe, R.D.	Reichgott	
Cohen	Knutson	Mondale	Riveness	

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 397 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 397: A bill for an act relating to highways; allowing county state-aid highway money to be used for certain equipment for emergency responders; amending Minnesota Statutes 1992, section 162.08, 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 62 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Finn	Langseth	Neuville	Runbeck
Beckman	Flynn	Larson	Novak	Sams
Belanger	Hottinger	Lesewski	Oliver	Samuelson
Benson, D.D.	Janezich	Lessard	Olson	Solon
Benson, J.E.	Johnson, D.E.	Luther	Pappas	Spear
Berg	Johnson, D.J.	Marty	Pariseau	Stevens
Berglin	Johnson, J.B.	McGowan	Piper	Stumpf
Bertram	Kelly	Merriam	Pogemiller	Terwilliger
Betzold	Kiscaden	Metzen	Price	Vickerman
Chandler	Knutson	Moe, R.D.	Ranum	Wiener
Chmielewski	Krentz	Mondale	Reichgott	
Cohen	Kroening	Morse	Riveness	
Day	Laidig	Murphy	Robertson	

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 H.F. No. 801 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 801: A bill for an act relating to traffic regulations; requiring operating procedures for hand-held traffic radar; amending Minnesota Statutes 1992, section 169.14, by adding a subdivision.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Day	Langseth	Neuville	Sams
Anderson	Finn	Larson	Oliver	Samuelson
Beckman	Flynn	Lesewski	Olson	Solon
Belanger	Hottinger	Lessard	Pappas	Spear
Benson, D.D.	Janezich	Luther	Pariseau	Stevens
Benson, J.E.	Johnson, D.J.	Marty	Piper	Stumpf
Berg	Johnson, J.B.	McGowan	Pogemiller	Terwilliger
Berglin	Kelly	Merriam	Price	Vickerman
Bertram	Kiscaden	Metzen	Ranum	Wiener
Betzold	Knutson	Moe, R.D.	Reichgott	
Chandler	Krentz	Mondale	Riveness	
Chmielewski	Kroening	Morse	Robertson	
Cohen	Laidig	Murphy	Runbeck	

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. 1276 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1276: A bill for an act relating to crime victims; restitution; requiring the deduction from a prison inmate's wages of unpaid restitution obligations from previous convictions; waiving fees for the docketing of a restitution order as a civil judgment; amending Minnesota Statutes 1992, sections 243.23, subdivision 3; and 611A.04, subdivision 3.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Kroening	Mondale	Riveness
Anderson	Day	Laidig	Murphy	Robertson
Beckman	Finn	Langseth	Neuville	Runbeck
Belanger	Flynn	Larson	Oliver	Sams
Benson, D.D.	Hottinger	Lesewski	Olson	Samuelson
Benson, J.E.	Janezich	Lessard	Pappas	Solon
Berg	Johnson, J.B.	Luther	Pariseau	Spear
Berglin	Johnson	Marty	Piper	Stevens
Bertram	Kelly	McGowan	Pogemiller	Stumpf
Betzold	Kiscaden	Merriam	Price	Terwilliger
Chandler	Knutson	Metzen	Ranum	Vickerman
Chmielewski	Krentz	Moe, R.D.	Reichgott	Wiener

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. 918 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 918: A bill for an act relating to civil actions; providing that the statute of limitations in section 541.051 governs materials incorporated into an improvement to real property; amending Minnesota Statutes 1992, section 336.2-725.

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 60 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Laidig	Morse	Riveness
Anderson	Day	Langseth	Murphy	Robertson
Beckman	Flynn	Larson	Neuville	Runbeck
Belanger	Hottinger	Lesewski	Novak	Sams
Benson, D.D.	Janezich	Lessard	Oliver	Samuelson
Benson, J.E.	Johnson, J.B.	Luther	Olson	Solon
Berg	Johnston	Marty	Pappas	Spear
Berglin	Kelly	McGowan	Pariseau	Stevens
Bertram	Kiscaden	Merriam	Piper	Stumpf
Betzold	Knutson	Metzen	Price	Terwilliger
Chandler	Krentz	Moe, R.D.	Ranum	Vickerman
Chmielewski	Kroening	Mondale	Reichgott	Wiener

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. 739 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 739: A bill for an act relating to health; regulating ionization radiation; exempting practitioners of veterinary medicine from certain quality assurance tests; amending Minnesota Statutes 1992, section 144.121, by adding subdivisions.

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 59 and nays 2, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Langseth	Neuville	Robertson
Anderson	Day	Larson	Novak	Runbeck
Beckman	Finn	Lesewski	Oliver	Sams
Belanger	Flynn	Lessard	Olson	Samuelson
Benson, D.D.	Hottinger	Luther	Pappas	Solon
Benson, J.E.	Janezich	Marty	Pariseau	Spear
Berg	Johnson, J.B.	McGowan	Piper	Stevens
Berglin	Johnston	Metzen	Pogemiller	Stumpf
Bertram	Kelly	Moe, R.D.	Price	Terwilliger
Betzold	Knutson	Mondale	Ranum	Vickerman
Chandler	Krentz	Morse	Reichgott	Wiener
Chmielewski	Kroening	Murphy	Riveness	

Ms. Kiscaden and Mr. Merriam voted in the negative.

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. 948 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 948: A bill for an act relating to insurance; property; regulating the FAIR plan; modifying its provisions; making various technical changes; amending Minnesota Statutes 1992, sections 65A.31; 65A.32; 65A.33, subdivisions 4, 5, and 6; 65A.34; 65A.35; 65A.36; 65A.37; 65A.375; 65A.38; 65A.39; 65A.40; 65A.41; and 65A.42; repealing Minnesota Statutes 1992, sections 65A.33, subdivision 8; and 65A.43.

Mr. Oliver moved to amend S.F. No. 948 as follows:

Page 9, line 29, before "At" insert "*Except as otherwise required under subdivision 4 or 5,*"

Page 10, line 33, delete "*plan*" and insert "*facility*" and delete "*fee*" and insert "*commission*"

Page 10, lines 34, 35, and 36, delete "*plan*" and insert "*facility*"

Page 11, line 1, delete "*plan*" and insert "*facility*"

The motion prevailed. So the amendment was adopted.

S.F. No. 948 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	Cohen	Kroening	Murphy	Riveness
Anderson	Day	Larson	Neuville	Robertson
Beckman	Finn	Lesewski	Novak	Runbeck
Belanger	Flynn	Lessard	Oliver	Sams
Benson, D.D.	Hottinger	Luther	Olson	Samuelson
Benson, J.E.	Janezich	Marty	Pappas	Spear
Berg	Johnson, J.B.	McGowan	Pariseau	Stevens
Berglin	Johnston	Merriam	Piper	Stumpf
Bertram	Kelly	Metzen	Pogemiller	Terwilliger
Betzold	Kiscaden	Moe, R.D.	Price	Vickerman
Chandler	Knutson	Mondale	Ranum	Wiener
Chmielewski	Krentz	Morse	Reichgott	

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. 1408 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 1408: A bill for an act relating to agriculture; redefining terms in the plant pest act; exempting certain nonprofit organizations from the requirement for a nursery stock dealer certificate; amending Minnesota Statutes 1992, section 18.46, subdivision 3, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 18.

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 59 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Kroening	Murphy	Riveness
Anderson	Day	Larson	Neuville	Robertson
Beckman	Finn	Lesewski	Novak	Runbeck
Belanger	Flynn	Lessard	Oliver	Sams
Benson, D.D.	Hottinger	Luther	Olson	Samuelson
Benson, J.E.	Janezich	Marty	Pappas	Spear
Berg	Johnson, J.B.	McGowan	Pariseau	Stevens
Berglin	Johnston	Merriam	Piper	Stumpf
Bertram	Kelly	Metzen	Pogemiller	Terwilliger
Betzold	Kiscaden	Moe, R.D.	Price	Vickerman
Chandler	Knutson	Mondale	Ranum	Wiener
Chmielewski	Krentz	Morse	Reichgott	

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. 886 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 886: A bill for an act relating to natural resources; regulating timber sales; increasing the value of sales requiring executive council approval and maximum lot value on auction sales; permitting the modification of timber permits damaged by natural cause; amending Minnesota Statutes 1992, section 90.031, subdivision 4; 90.041, by adding a subdivision; 90.101, subdivision 1; 90.121; and 90.201, by adding subdivisions.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Day	Langseth	Neuville	Runbeck
Anderson	Finn	Larson	Novak	Sams
Beckman	Flynn	Lesewski	Oliver	Samuelson
Belanger	Hottinger	Lessard	Olson	Spear
Benson, D.D.	Janezich	Luther	Pappas	Stevens
Benson, J.E.	Johnson, J.B.	Marty	Pariseau	Stumpf
Berg	Johnston	McGowan	Piper	Terwilliger
Berglin	Kelly	Merriam	Pogemiller	Vickerman
Bertram	Kiscaden	Metzen	Price	Wiener
Betzold	Knutson	Moe, R.D.	Ranum	
Chandler	Krentz	Mondale	Reichgott	
Chmielewski	Kroening	Morse	Riveness	
Cohen	Laidig	Murphy	Robertson	

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. 827 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 827: A bill for an act relating to racketeering; expanding the RICO law to include gambling crimes; authorizing the division of gambling enforcement to seize and forfeit property under the criminal forfeiture law; expanding the definition of criminal racketeering acts; amending Minnesota Statutes 1992, sections 609.531, subdivision 1; 609.76; and 609.902, 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 60 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Kroening	Morse	Riveness
Anderson	Day	Laidig	Murphy	Robertson
Beckman	Dille	Larson	Neuville	Runbeck
Belanger	Finn	Lesewski	Novak	Sams
Benson, D.D.	Flynn	Lessard	Oliver	Samuelson
Benson, J.E.	Hottinger	Luther	Olson	Solon
Berg	Janezich	Marty	Pariseau	Spear
Berglin	Johnson, J.B.	McGowan	Piper	Stevens
Bertram	Johnston	Merriam	Pogemiller	Stumpf
Betzold	Kiscaden	Metzen	Price	Terwilliger
Chandler	Knutson	Moe, R.D.	Ranum	Vickerman
Chmielewski	Krentz	Mondale	Reichgott	Wiener

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 H.F. No. 806 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 806: A bill for an act relating to commerce; prohibiting smoking in designated nonsmoking hotel rooms; allowing reimbursement to innkeepers for actual costs resulting from violation; prescribing a penalty; proposing coding for new law in Minnesota Statutes, chapter 327.

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 54 and nays 7, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Krentz	Mondale	Ranum
Anderson	Dille	Kroening	Morse	Reichgott
Beckman	Finn	Laidig	Murphy	Riveness
Belanger	Flynn	Langseth	Novak	Robertson
Benson, D.D.	Hottinger	Lessard	Oliver	Runbeck
Benson, J.E.	Janezich	Luther	Olson	Sams
Berg	Johnson, D.E.	Marty	Pappas	Solon
Berglin	Johnson, J.B.	McGowan	Pariseau	Stumpf
Bertram	Johnston	Merriam	Piper	Vickerman
Betzold	Kiscaden	Metzen	Pogemiller	Wiener
Chandler	Knutson	Moe, R.D.	Price	

Those who voted in the negative were:

Chmielewski
Day

Lesewski
Neuville

Samuelson

Stevens

Terwilliger

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 H.F. No. 592 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 592: A bill for an act relating to creditors' remedies; limiting the value of the homestead exemption; providing for the exemption of homestead insurance proceeds; amending Minnesota Statutes 1992, sections 510.01; 510.02; 510.07; 510.08; and 550.175, subdivisions 3 and 4.

Mr. Cohen moved to amend H.F. No. 592 as follows:

Page 4, after line 30, insert:

"Sec. 7. Minnesota Statutes 1992, section 550.37, subdivision 12a, is amended to read:

Subd. 12a. *One motor vehicle to the extent of a value not exceeding \$2,000; or one motor vehicle to the extent of a value not exceeding \$20,000 that has been modified, at a cost of not less than \$1,500, to accommodate the physical disability making a disabled person eligible for a certificate authorized by section 169.345."*

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "increasing the exemption for motor vehicles modified to accommodate a disability;"

Page 1, line 6, delete the first "and" and before the period, insert "; and 550.37, subdivision 12a"

The motion prevailed. So the amendment was adopted.

H.F. No. 592 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 62 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins
Anderson
Beckman
Belanger
Benson, D.D.
Benson, J.E.
Berg
Berglin
Bertram
Betzold
Chandler
Chmielewski
Cohen

Day
Dille
Finn
Flynn
Frederickson
Hottinger
Johnson, D.E.
Johnson, J.B.
Johnston
Kelly
Kiscaden
Knutson
Krentz

Kroening
Laidig
Larson
Lesewski
Lessard
Luther
Marty
Merriam
Metzen
Moe, R.D.
Mondale
Morse
Murphy

Neuville
Novak
Oliver
Olson
Pappas
Pariseau
Piper
Pogemiller
Price
Ranum
Reichgott
Riveness
Robertson

Runbeck
Sams
Samuelson
Solon
Spear
Stevens
Stumpf
Terwilliger
Vickerman
Wiener

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. 818 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 818: A bill for an act relating to education; post-secondary; prescribing changes in eligibility and in duties and responsibilities regarding certain financial assistance programs; amending Minnesota Statutes 1992, sections 136A.101, subdivision 7; 136A.121, subdivision 9; 136A.1353, subdivision 4; 136A.1354, subdivision 4; 136A.15, subdivision 6; 136A.1701, subdivision 4; and 136A.233, subdivisions 2 and 3; repealing Minnesota Statutes 1992, section 136A.121, subdivision 17.

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 60 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Krentz	Mondale	Riveness
Anderson	Dille	Kroening	Morse	Robertson
Beckman	Finn	Laidig	Murphy	Runbeck
Belanger	Flynn	Langseth	Neuville	Sams
Benson, D.D.	Frederickson	Larson	Novak	Samuelson
Benson, J.E.	Hottinger	Lesewski	Oliver	Solon
Berg	Johnson, D.E.	Lessard	Pappas	Spear
Berglin	Johnson, J.B.	Luther	Pariseau	Stevens
Bertram	Johnston	Marty	Piper	Stumpf
Betzold	Kelly	Merriam	Price	Terwilliger
Chandler	Kiscaden	Metzen	Ranum	Vickerman
Chmielewski	Knutson	Moe, R.D.	Reichgott	Wiener

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 H.F. No. 1423 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 1423: A bill for an act relating to unemployment compensation; modifying definitions; changing provisions relating to eligibility for and administration of unemployment compensation; amending Minnesota Statutes 1992, sections 268.04, subdivisions 4 and 12; 268.08, subdivisions 3 and 6; 268.09, subdivisions 1, 2, and 8; 268.10, subdivisions 2 and 6; 268.12, subdivision 12; 268.16, subdivision 4; and 268.161, subdivision 9.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Finn	Laidig	Neville	Runbeck
Anderson	Flynn	Larson	Novak	Sams
Beckman	Frederickson	Lesewski	Oliver	Samuelson
Belanger	Hottinger	Lessard	Olson	Solon
Benson, J.E.	Janezich	Luther	Pappas	Spear
Berg	Johnson, D.E.	Marty	Pariseau	Stevens
Berglin	Johnson, J.B.	McGowan	Piper	Stumpf
Bertram	Johnston	Merriam	Pogemiller	Terwilliger
Betzold	Kelly	Metzen	Price	Vickerman
Chandler	Kiscaden	Moe, R.D.	Ranum	Wiener
Chmielewski	Knutson	Mondale	Reichgott	
Day	Krentz	Morse	Riveness	
Dille	Kroening	Murphy	Robertson	

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. 1602 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1602: A bill for an act relating to cemeteries; providing for burials in the winter season; prohibiting relocation of cemeteries without the trustees' or owners' consent; proposing coding for new law in Minnesota Statutes, chapters 306; and 307.

Mr. Frederickson moved to amend S.F. No. 1602 as follows:

Page 1, after line 19, insert:

"Sec. 4. Minnesota Statutes 1992, section 375.37, is amended to read:

375.37 ["**SOLDIERS' REST**" USED EXCLUSIVELY FOR **SOLDIERS, SAILORS, MARINES AND WAR NURSES VETERANS AND SPOUSES.**]

Any plot of ground secured and designated as a "soldiers' rest" shall be used exclusively for the interment of deceased ~~soldiers, sailors, marines, and war nurses of the United States~~, *veterans, as defined in section 197.447, and spouses of veterans* without charge for space in it."

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "clarifying the eligibility for burial in a soldiers rest plot; amending Minnesota Statutes 1992, section 375.37;"

The motion prevailed. So the amendment was adopted.

S.F. No. 1602 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 60 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Berg	Day	Johnson, D.E.	Krentz
Anderson	Berglin	Dille	Johnson, J.B.	Kroening
Beckman	Bertram	Finn	Johnston	Laidig
Belanger	Betzold	Flynn	Kelly	Langseth
Benson, D.D.	Chandler	Frederickson	Kiscaden	Larson
Benson, J.E.	Chmielewski	Hottinger	Knutson	Lesewski

Lessard	Moe, R.D.	Oliver	Ranum	Spear
Luther	Mondale	Olson	Reichgott	Stevens
Marty	Morse	Pariseau	Riveness	Stumpf
McGowan	Murphy	Piper	Runbeck	Terwilliger
Merriam	Neuville	Pogemiller	Sams	Vickerman
Metzen	Novak	Price	Samuelson	Wiener

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 Orders of Business of Reports of Committees and Second Reading of Senate Bills.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of the report on S.F. No. 919. The motion prevailed.

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

S.F. No. 878: A bill for an act relating to game and fish; allowing the taking of two deer in designated counties; amending Minnesota Statutes 1992, section 97B.301, subdivisions 2, 4, and by adding a subdivision.

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

Delete everything after the enacting clause and insert:

“Section 1. [AUTHORIZATION TO TAKE TWO DEER IN CERTAIN COUNTIES.]

Notwithstanding Minnesota Statutes, section 97B.301, subdivision 2, during the 1993 and 1994 hunting seasons, in Kittson, Marshall, and Roseau counties a person may obtain one firearms deer license and one archery deer license in the same license year and may take one deer under each license.”

Delete the title and insert:

“A bill for an act relating to game and fish; allowing the taking of two deer in designated counties during the 1993 and 1994 hunting seasons.”

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

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

S.F. No. 919: A bill for an act relating to crime; sentencing; clarifying terms relating to the sentencing of criminal offenders; making technical corrections to the new felony sentencing laws; revising current laws relating to mandatory supervised release of sex offenders; revising certain provisions of the challenge incarceration program; amending Minnesota Statutes 1992, sections 144A.04, subdivisions 4 and 6; 144A.11, subdivision 3a; 144B.08, subdivision 3; 152.021, subdivision 3; 152.022, subdivision 3; 152.023, subdivision 3; 152.024, subdivision 3; 152.025, subdivision 3; 152.026; 152.18, subdivision 1; 169.121, subdivision 3a; 238.16, subdivision 2; 244.01, subdivision 8, and by adding a subdivision; 244.05, subdivision 1b; 244.065; 244.101; 244.14, subdivision 3; 244.15, subdivision 1; 244.17, subdivision 3;

244.172, subdivisions 1 and 2; 244.171, subdivision 4; 299A.35, subdivision 2; 609.0341, subdivision 1; 609.101, subdivisions 2, 3, and 4; 609.11; 609.135, subdivision 1; 609.1352, subdivision 1; 609.15, subdivision 2; 609.152, subdivision 1; 609.196; 609.229, subdivision 3; 609.346, subdivisions 2, 2b, and 5; 609.3461, subdivision 2; 609.582, subdivision 1a; 609.891, subdivision 2; 611A.06, subdivision 1; and 629.291, subdivision 1.

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

Delete everything after the enacting clause and insert:

“ARTICLE 1

SAFE STREETS AND SCHOOLS

Section 1. Minnesota Statutes 1992, section 152.022, subdivision 1, is amended to read:

Subdivision 1. [SALE CRIMES.] A person is guilty of controlled substance crime in the second degree if:

(1) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of three grams or more containing cocaine;

(2) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of ten grams or more containing a narcotic drug other than cocaine;

(3) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of ten grams or more containing methamphetamine, amphetamine, phencyclidine, or hallucinogen or, if the controlled substance is packaged in dosage units, equaling 50 or more dosage units;

(4) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of 25 kilograms or more containing marijuana or Tetrahydrocannabinols;

(5) the person unlawfully sells any amount of a schedule I or II narcotic drug to a person under the age of 18, or conspires with or employs a person under the age of 18 to unlawfully sell the substance; or

(6) the person unlawfully sells any of the following in a school zone, a park zone, or a public housing zone:

(i) any amount of a schedule I or II narcotic drug, or *lysergic acid diethylamide (LSD)*;

(ii) one or more mixtures containing methamphetamine or amphetamine; or

(iii) one or more mixtures of a total weight of five kilograms or more containing marijuana or Tetrahydrocannabinols.

Sec. 2. Minnesota Statutes 1992, section 152.023, subdivision 2, is amended to read:

Subd. 2. [POSSESSION CRIMES.] A person is guilty of controlled substance crime in the third degree if:

(1) the person unlawfully possesses one or more mixtures of a total weight of three grams or more containing cocaine;

(2) the person unlawfully possesses one or more mixtures of a total weight of ten grams or more containing a narcotic drug other than cocaine;

(3) the person unlawfully possesses one or more mixtures containing a narcotic drug, it is packaged in dosage units, and equals 50 or more dosage units;

(4) the person unlawfully possesses any amount of a schedule I or II narcotic drug or *ten or more dosage units of lysergic acid diethylamide (LSD)* in a school zone, a park zone, or a public housing zone;

(5) the person unlawfully possesses one or more mixtures of a total weight of ten kilograms or more containing marijuana or Tetrahydrocannabinols; or

(6) the person unlawfully possesses one or more mixtures containing methamphetamine or amphetamine in a school zone, a park zone, or a public housing zone.

Sec. 3. Minnesota Statutes 1992, section 471.633, is amended to read:

471.633 [FIREARMS.]

Subdivision 1. [GENERAL PREEMPTION.] Except as otherwise provided in section 23, the legislature preempts all authority of a home rule charter or statutory city including a city of the first class, county, town, municipal corporation, or other governmental subdivision, or any of their instrumentalities, to regulate firearms, ammunition, or their respective components to the complete exclusion of any order, ordinance, or regulation by them except that:

~~(a)~~ (1) a governmental subdivision may regulate the discharge of firearms; and

~~(b)~~ (2) a governmental subdivision may adopt regulations identical to state law.

Subd. 2. [INCONSISTENT REGULATIONS VOID.] Local regulation inconsistent with this section is void.

Sec. 4. Minnesota Statutes 1992, section 609.06, is amended to read:

609.06 [AUTHORIZED USE OF FORCE.]

Subdivision 1. [WHEN AUTHORIZED.] Reasonable force may be used upon or toward the person of another without the other's consent when the following circumstances exist or the actor reasonably believes them to exist:

(1) When used by a public officer or one assisting a public officer under the public officer's direction:

(a) In effecting a lawful arrest; or

(b) In the execution of legal process; or

(c) In enforcing an order of the court; or

(d) In executing any other duty imposed upon the public officer by law; or

(2) When used by a person not a public officer in arresting another in the

cases and in the manner provided by law and delivering the other to an officer competent to receive the other into custody; or

(3) When used by any person in resisting or aiding another to resist an offense against the person; or

(4) When used by any person in lawful possession of real or personal property, or by another assisting the person in lawful possession, in resisting a trespass upon or other unlawful interference with such property; or

(5) When used by any person to prevent the escape, or to retake following the escape, of a person lawfully held on a charge or conviction of a crime; or

(6) When used by a parent, guardian, teacher or other lawful custodian of a child or pupil, in the exercise of lawful authority, to restrain or correct such child or pupil; or

(7) When used by a school employee or school bus driver while engaged in the performance of the employee's or driver's official duties, to prevent bodily harm to another; or

(8) When used by a common carrier in expelling a passenger who refuses to obey a lawful requirement for the conduct of passengers and reasonable care is exercised with regard to the passenger's personal safety; or

(8) (9) When used to restrain a mentally ill or mentally defective person from self-injury or injury to another or when used by one with authority to do so to compel compliance with reasonable requirements for the person's control, conduct or treatment; or

(9) (10) When used by a public or private institution providing custody or treatment against one lawfully committed to it to compel compliance with reasonable requirements for the control, conduct or treatment of the committed person.

Sec. 5. Minnesota Statutes 1992, section 609.531, is amended to read:

609.531 [FORFEITURES.]

Subdivision 1. [DEFINITIONS.] For the purpose of sections 609.531 to ~~609.5317~~ 609.5318, the following terms have the meanings given them.

(a) "Conveyance device" means a device used for transportation and includes, but is not limited to, a motor vehicle, trailer, snowmobile, airplane, and vessel and any equipment attached to it. The term "conveyance device" does not include property which is, in fact, itself stolen or taken in violation of the law.

(b) "Weapon used" means a weapon used in the furtherance of a crime and defined as a dangerous weapon under section 609.02, subdivision 6.

(c) "Property" means property as defined in section 609.52, subdivision 1, clause (1).

(d) "Contraband" means property which is illegal to possess under Minnesota law.

(e) "Appropriate agency" means the bureau of criminal apprehension, the Minnesota state patrol, a county sheriff's department, the suburban Hennepin regional park district park rangers, the department of natural resources

division of enforcement, the University of Minnesota police department, or a city or airport police department.

(f) "Designated offense" includes:

(1) for weapons used: any violation of this chapter;

(2) for all other purposes: a felony violation of, or a felony-level attempt or conspiracy to violate, section 609.185; 609.19; 609.195; 609.21; 609.221; 609.222; 609.223; 609.2231; 609.24; 609.245; 609.25; 609.255; 609.322; 609.342, subdivision 1, clauses (a) to (f); 609.343, subdivision 1, clauses (a) to (f); 609.344, subdivision 1, clauses (a) to (e), and (h) to (j); 609.345, subdivision 1, clauses (a) to (e), and (h) to (j); 609.42; 609.425; 609.466; 609.485; 609.487; 609.52; 609.525; 609.53; 609.54; 609.551; 609.561; 609.562; 609.563; 609.582; 609.59; 609.595; 609.631; 609.671, subdivisions 3, 4, 5, 8, and 12; 609.687; 609.821; 609.825; 609.86; 609.88; 609.89; 609.893; 617.246; or a gross misdemeanor or felony violation of section 609.891.

(g) "Controlled substance" has the meaning given in section 152.01, subdivision 4.

Subd. 1a. [CONSTRUCTION.] Sections 609.531 to ~~609.5317~~ 609.5318 must be liberally construed to carry out the following remedial purposes:

(1) to enforce the law;

(2) to deter crime;

(3) to reduce the economic incentive to engage in criminal enterprise;

(4) to increase the pecuniary loss resulting from the detection of criminal activity; and

(5) to forfeit property unlawfully used or acquired and divert the property to law enforcement purposes.

Subd. 4. [SEIZURE.] Property subject to forfeiture under sections 609.531 to ~~609.5317~~ 609.5318 may be seized by the appropriate agency upon process issued by any court having jurisdiction over the property. Property may be seized without process if:

(1) the seizure is incident to a lawful arrest or a lawful search;

(2) the property subject to seizure has been the subject of a prior judgment in favor of the state in a criminal injunction or forfeiture proceeding under this chapter; or

(3) the appropriate agency has probable cause to believe that the delay occasioned by the necessity to obtain process would result in the removal or destruction of the property and that:

(i) the property was used or is intended to be used in commission of a felony; or

(ii) the property is dangerous to health or safety.

If property is seized without process under clause (3), subclause (i), the county attorney must institute a forfeiture action under section 609.5313 as soon as is reasonably possible.

Subd. 5. [RIGHT TO POSSESSION VESTS IMMEDIATELY; CUSTODY OF SEIZED PROPERTY.] All right, title, and interest in property subject to forfeiture under sections 609.531 to ~~609.5317~~ 609.5318 vests in the appropriate agency upon commission of the act or omission giving rise to the forfeiture. Any property seized under sections 609.531 to ~~609.5316~~ 609.5318 is not subject to replevin, but is deemed to be in the custody of the appropriate agency subject to the orders and decrees of the court having jurisdiction over the forfeiture proceedings. When property is so seized, the appropriate agency may:

- (1) place the property under seal;
- (2) remove the property to a place designated by it;
- (3) in the case of controlled substances, require the state board of pharmacy to take custody of the property and remove it to an appropriate location for disposition in accordance with law; and
- (4) take other steps reasonable and necessary to secure the property and prevent waste.

Subd. 5a. [BOND BY OWNER FOR POSSESSION.] If the owner of property that has been seized under sections 609.531 to ~~609.5317~~ 609.5318 seeks possession of the property before the forfeiture action is determined, the owner may, subject to the approval of the appropriate agency, give security or post bond payable to the appropriate agency in an amount equal to the retail value of the seized property. On posting the security or bond, the seized property must be returned to the owner and the forfeiture action shall proceed against the security as if it were the seized property. This subdivision does not apply to contraband property.

Subd. 6a. [FORFEITURE A CIVIL PROCEDURE; CONVICTION RESULTS IN PRESUMPTION.] (a) An action for forfeiture is a civil in rem action and is independent of any criminal prosecution, except as provided in this subdivision and section 609.5318. The appropriate agency handling the forfeiture has the benefit of the evidentiary presumption of section 609.5314, subdivision 1, but otherwise bears the burden of proving the act or omission giving rise to the forfeiture by clear and convincing evidence, except that in cases arising under section 609.5312, the designated offense may only be established by a ~~felony level~~ felony-level criminal conviction.

(b) A court may not issue an order of forfeiture under section 609.5311 while the alleged owner of the property is in custody and related criminal proceedings are pending against the alleged owner. For forfeiture of a motor vehicle, the alleged owner is the registered owner according to records of the department of public safety. For real property, the alleged owner is the owner of record. For other property, the alleged owner is the person notified by the prosecuting authority in filing the forfeiture action.

Sec. 6. Minnesota Statutes 1992, section 609.5311, subdivision 3, is amended to read:

Subd. 3. [LIMITATIONS ON FORFEITURE OF CERTAIN PROPERTY ASSOCIATED WITH CONTROLLED SUBSTANCES.] (a) A conveyance device is subject to forfeiture under this section only if the retail value of the controlled substance is \$25 or more and the conveyance device is associated with a felony-level controlled substance crime.

(b) Real property is subject to forfeiture under this section only if the retail value of the controlled substance or contraband is \$1,000 or more.

(c) Property used by any person as a common carrier in the transaction of business as a common carrier is subject to forfeiture under this section only if the owner of the property is a consenting party to, or is privy to, the use or intended use of the property as described in subdivision 2.

(d) Property is subject to forfeiture under this section only if its owner was privy to the use or intended use described in subdivision 2, or the unlawful use or intended use of the property otherwise occurred with the owner's knowledge or consent.

(e) Forfeiture under this section of a conveyance device or real property encumbered by a bona fide security interest is subject to the interest of the secured party unless the secured party had knowledge of or consented to the act or omission upon which the forfeiture is based. A person claiming a security interest bears the burden of establishing that interest by clear and convincing evidence.

(f) Notwithstanding paragraphs (d) and (e), property is not subject to forfeiture based solely on the owner's or secured party's knowledge of the unlawful use or intended use of the property if: (1) if the owner or secured party took reasonable steps to terminate use of the property by the offender; or (2) the property is real property owned by the parent of the offender, unless the parent actively participated in, or knowingly acquiesced to, a violation of chapter 152, or the real property constitutes proceeds derived from or traceable to a use described in subdivision 2.

Sec. 7. Minnesota Statutes 1992, section 609.5312, subdivision 2, is amended to read:

Subd. 2. [LIMITATIONS ON FORFEITURE OF PROPERTY ASSOCIATED WITH DESIGNATED OFFENSES.] (a) Property used by a person as a common carrier in the transaction of business as a common carrier is subject to forfeiture under this section only if the owner of the property is a consenting party to, or is privy to, the commission of a designated offense.

(b) Property is subject to forfeiture under this ~~subdivision~~ section only if the owner was privy to the act or omission upon which the forfeiture is based, or the act or omission occurred with the owner's knowledge or consent.

(c) Property encumbered by a bona fide security interest is subject to the interest of the secured party unless the party had knowledge of or consented to the act or omission upon which the forfeiture is based. A person claiming a security interest bears the burden of establishing that interest by clear and convincing evidence.

(d) Notwithstanding paragraphs (b) and (c), property is not subject to forfeiture based solely on the owner's or secured party's knowledge of the act or omission upon which the forfeiture is based if the owner or secured party took reasonable steps to terminate use of the property by the offender.

Sec. 8. Minnesota Statutes 1992, section 609.5314, subdivision 1, is amended to read:

Subdivision 1. [PROPERTY SUBJECT TO ADMINISTRATIVE FORFEITURE; PRESUMPTION.] (a) The following are presumed to be subject to administrative forfeiture under this section:

- (1) all money, precious metals, and precious stones found in proximity to:
- (i) controlled substances;
 - (ii) forfeitable drug manufacturing or distributing equipment or devices; or
 - (iii) forfeitable records of manufacture or distribution of controlled substances; **and**
- (2) all conveyance devices containing controlled substances with a retail value of \$100 or more if possession or sale of the controlled substance would be a felony under chapter 152; **and**
- (3) *all firearms, ammunition, and firearm accessories found:*
- (i) in a conveyance device used or intended for use to commit or facilitate the commission of a felony offense involving a controlled substance;*
 - (ii) on or in proximity to a person from whom a felony amount of controlled substance is seized; or*
 - (iii) on the premises where a controlled substance is seized and in proximity to the controlled substance, if possession or sale of the controlled substance would be a felony under chapter 152.*
- (b) A claimant of the property bears the burden to rebut this presumption.

Sec. 9. Minnesota Statutes 1992, section 609.5314, subdivision 3, is amended to read:

Subd. 3. [JUDICIAL DETERMINATION.] (a) Within 60 days following service of a notice of seizure and forfeiture under this section, a claimant may file a demand for a judicial determination of the forfeiture. The demand must be in the form of a civil complaint and must be filed with the court administrator in the county in which the seizure occurred, together with proof of service of a copy of the complaint on the county attorney for that county, and the standard filing fee for civil actions unless the petitioner has the right to sue in forma pauperis under section 563.01. If the value of the seized property is less than \$500, the claimant may file an action in conciliation court for recovery of the seized property without paying the conciliation court filing fee. No responsive pleading is required of the county attorney and no court fees may be charged for the county attorney's appearance in the matter. The proceedings are governed by the rules of civil procedure.

(b) The complaint must be captioned in the name of the claimant as plaintiff, *and* the seized property as defendant, and must state with specificity the grounds on which the claimant alleges the property was improperly seized *and stating* the plaintiff's interest in the property seized. Notwithstanding any law to the contrary, an action for the return of property seized under this section may not be maintained by or on behalf of any person who has been served with a notice of seizure and forfeiture unless the person has complied with this subdivision.

(c) If the claimant makes a timely demand for judicial determination under this subdivision, the appropriate agency must conduct the forfeiture under section 609.531, subdivision 6a.

(d) If a demand for judicial determination of an administrative forfeiture is filed under this subdivision and the court orders the return of the seized property, the court shall order that filing fees be reimbursed to the person who

filed the demand. In addition, the court may order the payment of reasonable costs, expenses, and attorney fees under section 549.21, subdivision 2. If the court orders payment of these costs, they must be paid from forfeited money or proceeds from the sale of forfeited property from the appropriate law enforcement and prosecuting agencies in the same proportion as they would be distributed under section 609.5315, subdivision 5.

Sec. 10. Minnesota Statutes 1992, section 609.5315, subdivision 1, is amended to read:

Subdivision 1. [DISPOSITION.] If the court finds under section 609.5313, ~~or 609.5314, or 609.5318~~ that the property is subject to forfeiture, it shall order the appropriate agency to:

(1) sell property that is not required to be destroyed by law and is not harmful to the public and distribute the proceeds under subdivision 5;

(2) take custody of the property and remove it for disposition in accordance with law;

(3) forward the property to the federal drug enforcement administration;

(4) disburse money as provided under subdivision 5; or

(5) keep property other than money for official use by the agency and the prosecuting agency.

Sec. 11. Minnesota Statutes 1992, section 609.5315, subdivision 2, is amended to read:

Subd. 2. [DISPOSITION OF ADMINISTRATIVELY FORFEITED PROPERTY.] If property is forfeited administratively under section 609.5314 *or 609.5318* and no demand for judicial determination is made, the appropriate agency may dispose of the property in any of the ways listed in subdivision 1.

Sec. 12. Minnesota Statutes 1992, section 609.5315, subdivision 4, is amended to read:

Subd. 4. [DISTRIBUTION OF PROCEEDS OF THE OFFENSE.] Property that consists of proceeds derived from or traced to the commission of a designated offense *or a violation of section 609.66, subdivision 3*, must be applied first to payment of seizure, storage, forfeiture, and sale expenses, and to satisfy valid liens against the property; and second, to any court-ordered restitution before being disbursed as provided under subdivision 5.

Sec. 13. [609.5318] [FORFEITURE OF VEHICLES USED IN DRIVE-BY SHOOTINGS.]

Subdivision 1. [CONVEYANCE DEVICES SUBJECT TO FORFEITURE.] *A conveyance device is subject to forfeiture under this section if the prosecutor establishes by clear and convincing evidence that the conveyance device was used in a violation of section 609.66, subdivision 3. The prosecutor need not establish that any individual was convicted of the violation, but a conviction of the owner for a violation of section 609.66, subdivision 3, creates a presumption that the device was used in the violation.*

Subd. 2. [NOTICE.] *The registered owner of the conveyance device must be notified of the seizure and intent to forfeit the conveyance device within 48 hours after the seizure. Notice by certified mail to the address shown in department of public safety records is deemed to be sufficient notice to the*

registered owner. Notice must be given in the manner required by section 609.5314, subdivision 2, paragraph (b), and must specify that a request for a judicial determination of the forfeiture must be made within 60 days following the service of the notice. If related criminal proceedings are pending, the notice must also state that a request for a judicial determination of the forfeiture must be made within 60 days following the conclusion of those proceedings.

Subd. 3. [HEARING] (a) Within 60 days following service of a notice of seizure and forfeiture, a claimant may demand a judicial determination of the forfeiture. If a related criminal proceeding is pending, the 60 days begins to run at the conclusion of those proceedings. The demand must be in the form of a civil complaint as provided in section 609.5314, subdivision 3, except as otherwise provided in this section.

(b) If the claimant makes a timely demand for judicial determination under this subdivision, the appropriate agency must conduct the forfeiture under subdivision 4.

Subd. 4. [PROCEDURE.] (a) If a judicial determination of the forfeiture is requested, a separate complaint must be filed against the conveyance device, stating the specific act giving rise to the forfeiture and the date, time, and place of the act. The action must be captioned in the name of the county attorney or the county attorney's designee as plaintiff and the property as defendant.

(b) If a demand for judicial determination of an administrative forfeiture is filed and the court orders the return of the seized property, the court shall order that filing fees be reimbursed to the person who filed the demand. In addition, the court may order the payment of reasonable costs, expenses, attorney fees, and towing and storage fees. If the court orders payment of these costs, they must be paid from forfeited money or proceeds from the sale of forfeited property from the appropriate law enforcement and prosecuting agencies in the same proportion as they would be distributed under section 609.5315, subdivision 5.

Subd. 5. [LIMITATIONS.] (a) A conveyance device used by a person as a common carrier in the transaction of business as a common carrier is subject to forfeiture under this section only if the owner of the device is a consenting party to, or is privy to, the commission of the act giving rise to the forfeiture.

(b) A conveyance device is subject to forfeiture under this section only if the registered owner was privy to the act upon which the forfeiture is based, the act occurred with the owner's knowledge or consent, or the act occurred due to the owner's gross negligence in allowing another to use the conveyance device.

(c) A conveyance device encumbered by a bona fide security interest is subject to the interest of the secured party unless the party had knowledge of or consented to the act upon which the forfeiture is based. A person claiming a security interest bears the burden of establishing that interest by clear and convincing evidence.

Sec. 14. Minnesota Statutes 1992, section 609.605, is amended by adding a subdivision to read:

Subd. 4. [TRESPASSES ON SCHOOL PROPERTY.] (a) It is a misdemeanor for a person to enter or be found on school property while school is

in session or school or extracurricular events are occurring on the property unless the person:

(1) is an enrolled student in, a parent or guardian of an enrolled student in, or an employee of the school or school district;

(2) has permission or an invitation from a school official to be in the building;

(3) is attending a school event, class, or meeting to which the person, the public, or a student's family is invited; or

(4) has reported the person's presence in the school building in the manner required for visitors to the school.

(b) A school principal or a school employee designated by the school principal to maintain order on school property, who has reasonable cause to believe that a person is violating this subdivision may detain the person in a reasonable manner for a reasonable period of time pending the arrival of a peace officer. A school principal or designated school employee is not civilly or criminally liable for any action authorized under this paragraph if the person's action is based on reasonable cause.

(c) A peace officer may arrest a person without a warrant if the officer has probable cause to believe the person violated this subdivision within the preceding four hours. The arrest may be made even though the violation did not occur in the peace officer's presence.

(d) As used in this subdivision, "school property" has the meaning given in section 152.01, subdivision 14a, clauses (1) and (3).

Sec. 15. Minnesota Statutes 1992, section 609.66, subdivision 1a, is amended to read:

Subd. 1a. [FELONY CRIMES; SILENCERS PROHIBITED; RECKLESS DISCHARGE.] (a) Whoever does any of the following is guilty of a felony and may be sentenced as provided in paragraph (b):

(1) sells or has in possession any device designed to silence or muffle the discharge of a firearm; ~~or~~

(2) intentionally discharges a firearm under circumstances that endanger the safety of another; *or*

(3) *recklessly discharges a firearm within a municipality.*

(b) A person convicted under paragraph (a) may be sentenced as follows:

(1) if the act was committed in a public housing zone, as defined in section 152.01, subdivision 19, a school zone, as defined in section 152.01, subdivision 14a, or a park zone, as defined in section 152.01, subdivision 12a, to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both; or

(2) otherwise, to imprisonment ~~for~~ not more than two years or to payment of a fine of not more than \$5,000, or both.

Sec. 16. Minnesota Statutes 1992, section 609.66, is amended by adding a subdivision to read:

Subd. 1d. [FELONY; POSSESSION ON SCHOOL PROPERTY.] (a) Whoever possesses, stores, or keeps a dangerous weapon as defined in section 609.02, subdivision 6, on school property is guilty of a felony and may be sentenced to imprisonment for not more than two years or to payment of a fine of not more than \$5,000, or both.

(b) As used in this subdivision, "school property" means:

(1) an elementary, middle, or secondary school building and its grounds; and

(2) the area within a school bus when that bus is being used to transport one or more elementary, middle, or secondary school students.

(c) This subdivision does not apply to:

(1) licensed peace officers, military personnel, or students participating in military training, who are performing official duties;

(2) persons who carry pistols according to the terms of a permit;

(3) persons who keep or store in a motor vehicle pistols in accordance with sections 624.714 and 624.715 or other firearms in accordance with section 97B.045;

(4) firearm safety or marksmanship courses conducted on school property;

(5) possession of dangerous weapons by a ceremonial color guard;

(6) a gun or knife show held on school property; or

(7) possession of dangerous weapons with written permission of the principal.

Sec. 17. Minnesota Statutes, 1992, section 609.66, is amended by adding a subdivision to read:

Subd. 3. [FELONY; DRIVE-BY SHOOTING.] (a) Whoever recklessly discharges a firearm when the person is in a passenger vehicle at or toward another passenger vehicle or a dwelling is guilty of a felony and may be sentenced to imprisonment for not more than three years or to payment of a fine of not more than \$6,000, or both. If the vehicle or dwelling is occupied, the person may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both.

(b) For purposes of this subdivision, "passenger vehicle" has the meaning given in section 169.01, subdivision 3a, and "dwelling" has the meaning given in section 609.605, subdivision 1.

Sec. 18. [609.666] [NEGLIGENT STORAGE OF FIREARMS.]

Subdivision 1. [DEFINITIONS.] For purposes of this section, the following words have the meanings given.

(a) "Firearm" means a device designed to be used as a weapon, from which is expelled a projectile by the force of any explosion or force of combustion.

(b) "Child" means a person under the age of 16 years.

(c) "Loaded" means the firearm has ammunition in the chamber or

magazine, if the magazine is in the firearm, unless the firearm is incapable of being fired by a child who is likely to gain access to the firearm.

Subd. 2. [ACCESS TO FIREARMS.] A person is guilty of a gross misdemeanor who stores or leaves a loaded firearm in a location where the person knows, or reasonably should know, that a child is likely to gain access.

Subd. 3. [LIMITATIONS.] Subdivision 2 does not apply to a child's access to firearms that is supervised by an adult or to a child's access to firearms that was obtained as a result of an unlawful entry.

Sec. 19. [609.672] [PERMISSIVE INFERENCE; FIREARMS IN AUTOMOBILES.]

The presence of a firearm in a passenger automobile permits the factfinder to infer knowing possession of the firearm by the driver or person in control of the automobile when the firearm was in the automobile. The inference does not apply:

(1) to a licensed operator of an automobile who is at the time operating it for hire in the lawful and proper pursuit of the operator's trade;

(2) to any person in the automobile if one of them legally possesses a firearm; or

(3) when the firearm is concealed on the person of one of the occupants.

Sec. 20. Minnesota Statutes 1992, section 624.713, subdivision 1, is amended to read:

Subdivision 1. [INELIGIBLE PERSONS.] The following persons shall not be entitled to possess a pistol:

(a) a person under the age of 18 years except that a person under 18 may carry or possess a pistol (i) in the actual presence or under the direct supervision of the person's parent or guardian, (ii) for the purpose of military drill under the auspices of a legally recognized military organization and under competent supervision, (iii) for the purpose of instruction, competition, or target practice on a firing range approved by the chief of police or county sheriff in whose jurisdiction the range is located and under direct supervision; or (iv) if the person has successfully completed a course designed to teach marksmanship and safety with a pistol and approved by the commissioner of natural resources;

(b) a person who has been convicted in this state or elsewhere of a crime of violence unless ten years have elapsed since the person has been restored to civil rights or the sentence has expired, whichever occurs first, and during that time the person has not been convicted of any other crime of violence. For purposes of this section, crime of violence includes crimes in other states or jurisdictions which would have been crimes of violence as herein defined if they had been committed in this state;

(c) a person who is or has ever been confined or committed in Minnesota or elsewhere as a "mentally ill," "mentally retarded," or "mentally ill and dangerous to the public" person as defined in section 253B.02, to a treatment facility, unless the person possesses a certificate of a medical doctor or psychiatrist licensed in Minnesota, or other satisfactory proof that the person is no longer suffering from this disability;

(d) a person who has been convicted in Minnesota or elsewhere for the ~~unlawful use, possession, or sale of a controlled substance other than conviction for possession of a small amount of marijuana, as defined in section 152.01, subdivision 16 of a misdemeanor or gross misdemeanor violation of chapter 152,~~ or a person who is or has ever been hospitalized or committed for treatment for the habitual use of a controlled substance or marijuana, as defined in sections 152.01 and 152.02, unless the person possesses a certificate of a medical doctor or psychiatrist licensed in Minnesota, or other satisfactory proof, that the person has not abused a controlled substance or marijuana during the previous two years;

(e) a person who has been confined or committed to a treatment facility in Minnesota or elsewhere as "chemically dependent" as defined in section 253B.02, unless the person has completed treatment. Property rights may not be abated but access may be restricted by the courts; or

(f) a peace officer who is informally admitted to a treatment facility pursuant to section 253B.04 for chemical dependency, unless the officer possesses a certificate from the head of the treatment facility discharging or provisionally discharging the officer from the treatment facility. Property rights may not be abated but access may be restricted by the courts.

A person who issues a certificate pursuant to this subdivision in good faith is not liable for damages resulting or arising from the actions or misconduct with a firearm committed by the individual who is the subject of the certificate.

Sec. 21. Minnesota Statutes 1992, section 624.714, subdivision 1, is amended to read:

Subdivision 1. [PENALTY.] (a) A person, other than a law enforcement officer who has authority to make arrests other than citizens arrests, who carries, holds or possesses a pistol in a motor vehicle, snowmobile or boat, or on or about the person's clothes or the person, or otherwise in possession or control in a public place or public area without first having obtained a permit to carry the pistol is guilty of a gross misdemeanor. *A person who is convicted a second or subsequent time is guilty of a felony.*

(b) A person who has been issued a permit and who engages in activities other than those for which the permit has been issued, is guilty of a misdemeanor.

Sec. 22. [624.7162] [FIREARMS DEALERS; SAFETY REQUIREMENTS.]

Subdivision 1. [FIREARMS DEALERS.] *For purposes of this section, a firearms dealer is any person who is federally licensed to sell firearms from any location.*

Subd. 2. [NOTICE REQUIRED.] *In each business location where firearms are sold by a firearms dealer, the dealer shall post in a conspicuous location the following warning in block letters not less than one inch in height: "IT IS UNLAWFUL TO STORE OR LEAVE AN UNLOCKED LOADED FIREARM WHERE A CHILD CAN OBTAIN ACCESS."*

Subd. 3. [FINE.] *A person who violates the provisions of this section is guilty of a petty misdemeanor and may be fined not more than \$200.*

Sec. 23. [624.75] [METROPOLITAN FIREARM REGULATION LIMITATIONS.]

Subdivision 1. [METROPOLITAN CITIES; METROPOLITAN AIRPORTS COMMISSION.] Notwithstanding section 471.633, a home rule charter or statutory city located in a metropolitan county, as defined in section 473.121, subdivision 4, and the metropolitan airports commission are authorized to adopt firearms regulations described in this section.

Subd. 2. [POSSESSION OF FIREARMS.] A city or the metropolitan airports commission may adopt an ordinance which regulates the possession of firearms in a public place or in a room that contains controlled substances, when the firearm either is loaded or, if unloaded, the ammunition for it is readily available.

The ordinance may not apply to:

(1) the possession of firearms by officers, employees, or agents of law enforcement agencies or the armed forces of this state or the United States to the extent that these persons are authorized by law to possess firearms and are acting in the scope of official duties; or

(2) the lawful transportation of firearms in motor vehicles or the carrying of firearms between motor vehicles and places where possession of the firearm is lawful, if the firearm is carried in accordance with section 97B.045 or 624.714, subdivision 9, is unloaded, and the ammunition for the firearm is not readily available.

As used in this subdivision:

(1) "controlled substances" has the meaning given it in section 152.01, subdivision 4, but does not include a substance that the actor possesses lawfully; and

(2) "readily available" means that ammunition is within the actor's reach and is unboxed or in a device designed for the rapid loading of a firearm.

Subd. 3. [ASSAULT WEAPONS.] A city or the metropolitan airports commission may adopt an ordinance which regulates the sale, rental, lease, transfer, possession, or display of semiautomatic military-style assault weapons.

The ordinance may not apply to:

(1) the lawful transportation of semiautomatic military-style assault weapons in motor vehicles; or

(2) officers, employees, or agents of law enforcement agencies or the armed forces of this state or the United States to the extent that these persons are authorized by law to sell, rent, lease, transfer, possess, or display a semiautomatic military-style assault weapon and are acting in the scope of official duties.

If the ordinance prohibits possession of semiautomatic military-style weapons, the ordinance shall include provisions under which a person who lawfully possesses a prohibited weapon before the effective date of the ordinance may remove the weapon from the jurisdiction, render it inoperable, or register it with the local law enforcement agency. The ordinance shall also include provisions under which a person who obtains title to a prohibited

weapon by bequest or intestate succession may remove the weapon from the jurisdiction, render it inoperable, register it with the local law enforcement agency, or transfer title of the weapon to the local law enforcement agency or to a person who may lawfully possess the weapon.

Subd. 4. [REGULATION OF AMMUNITION MAGAZINES AND CLIPS.] A city or the metropolitan airports commission may adopt an ordinance which regulates the sale, rental, lease, transfer, possession, or display of ammunition magazines and clips.

The ordinance may not apply to:

(1) the lawful transportation of ammunition in a motor vehicle; or

(2) officers, employees, or agents of law enforcement agencies or the armed forces of this state to the extent that these persons are authorized by law to sell, rent, lease, transfer, possess, or display ammunition and are acting in the scope of official duties.

Subd. 5. [POSSESSION BY MINORS.] A city or the metropolitan airports commission may adopt an ordinance which regulates the possession of firearms by minors. The ordinance may not apply to the lawful transportation of firearms by minors in a motor vehicle.

Subd. 6. [ENFORCEMENT.] An ordinance adopted under the authority of this section may contain provisions permitting its enforcement by means of criminal and civil penalties and by means of forfeiture of the firearm or ammunition involved in the violation.

Subd. 7. [VIOLATION OF LOCAL ORDINANCE; INELIGIBILITY TO POSSESS PISTOL.] (a) A person is ineligible to possess a pistol if the person is convicted of violating a local ordinance adopted under the authority of this section, unless three years have elapsed since the date of conviction and, during that time, the person has not been convicted of any other violation of an ordinance adopted under the authority of this section. Property rights may not be abated but access may be restricted by the courts.

(b) A person who possesses a pistol in violation of this subdivision is guilty of a gross misdemeanor.

(c) When a person is convicted of a violation of a local ordinance adopted under the authority of this section, the court shall inform the defendant that the defendant is prohibited from possessing a pistol for a period of three years from the date of conviction and that it is a gross misdemeanor offense to violate this prohibition. The failure of the court to provide this information to a defendant does not affect the applicability of the pistol possession prohibition or the gross misdemeanor penalty to that defendant.

Subd. 8. [RESTRICTION.] No ordinance adopted under this section may absolutely ban the ownership or possession of firearms by persons who lawfully own firearms on the effective date of this section.

Subd. 9. [EFFECTIVE PERIOD.] Ordinances adopted under this section are effective from August 1, 1994 to June 30, 1997. A city or commission may not adopt an ordinance after May 1, 1994, and may not modify a previously adopted ordinance between that date and August 1, 1996.

Subd. 10. [DATA COLLECTION.] A city or commission may not adopt an ordinance under this section unless it compiles statistics as required by this

subdivision. Baseline statistics must be compiled from August 1, 1993 to August 1, 1994, and comparison statistics must be compiled from August 1, 1994 to August 1, 1996, concerning the number of firearm incidents reported to the city or to the commission and for each incident:

(1) whether there was injury to any person or property and the extent of the injury;

(2) whether the incident was accidental or intentional;

(3) the type of firearm and bullet clip used;

(4) the age of the actor and victim;

(5) whether the incident resulted in an arrest;

(6) whether there was a crime charged and what offense was charged;

(7) the nature of the conviction and the sentence or other disposition;

(8) whether controlled substances or other contraband were present where the firearm was found;

(9) what type of firearm was seized or forfeited and how it was disposed of;

(10) whether the actor legally owned or possessed the firearm;

(11) whether the actor had a prior criminal record or prior firearms offense; and

(12) anything else deemed relevant by the commissioner of public safety.

Subd. 11. [REPORT.] By October 15, 1996, each city or commission adopting an ordinance under this section shall report to the commissioner of public safety regarding the data compiled under subdivision 10. The commissioner shall compile the data into a report and submit the report to the legislature by January 15, 1997.

Sec. 24. [STANDARD FORM.]

By August 1, 1993, the commissioner of public safety shall develop a statistical collection form for use by cities and commissions adopting ordinances under section 23.

Sec. 25. [EFFECTIVE DATE.]

Sections 1, 2, 4 to 19, 21, and section 23, subdivision 7, are effective August 1, 1993, and apply to crimes committed on or after that date. Section 24 is effective the day following final enactment.

ARTICLE 2

LAW ENFORCEMENT

Section 1. Minnesota Statutes 1992, section 169.98, subdivision 1a, is amended to read:

Subd. 1a. [VEHICLE STOPS.] ~~Except as otherwise permitted under sections 221.221 and 299D.06,~~ Only a person who is licensed as a peace officer, constable, or part-time peace officer under sections 626.84 to section 626.863 may use a motor vehicle governed by subdivision 1 to stop a vehicle as defined in section 169.01, subdivision 2. *In addition, a hazardous*

materials specialist employed by the department of transportation may, in the course of responding to an emergency, use a motor vehicle governed by subdivision 1 to stop a vehicle as defined in section 169.01, subdivision 2.

Sec. 2. Minnesota Statutes 1992, section 260.161, subdivision 1, is amended to read:

Subdivision 1. [RECORDS REQUIRED TO BE KEPT.] (a) The juvenile court judge shall keep such minutes and in such manner as the court deems necessary and proper. Except as provided in paragraph (b), the court shall keep and maintain records pertaining to delinquent adjudications until the person reaches the age of 23 years and shall release the records on an individual to another juvenile court that has jurisdiction of the juvenile, to a requesting adult court for purposes of sentencing, or to an adult court or juvenile court as required by the right of confrontation of either the United States Constitution or the Minnesota Constitution. The juvenile court shall provide, upon the request of any other juvenile court, copies of the records concerning adjudications involving the particular child. The court shall also keep an index in which files pertaining to juvenile matters shall be indexed under the name of the child. After the name of each file shall be shown the file number and, if ordered by the court, the book and page of the register in which the documents pertaining to such file are listed. The court shall also keep a register properly indexed in which shall be listed under the name of the child all documents filed pertaining to the child and in the order filed. The list shall show the name of the document and the date of filing thereof. The juvenile court legal records shall be deposited in files and shall include the petition, summons, notice, findings, orders, decrees, judgments, and motions and such other matters as the court deems necessary and proper. ~~The legal~~ *Unless otherwise provided by law, all court records maintained in this file* shall be open at all reasonable times to the inspection of any child to whom the records relate, and to the child's parent and guardian. *A child over the age of 14, the guardian of a child, or either parent of a child, unless one parent has been awarded sole legal custody, may consent to the release of court records concerning the child. If the court is in doubt as to the custody status of a child, it may require the parent giving consent to provide proof of the custody status.*

(b) The court shall retain records of the court finding that a juvenile committed an act that would be a violation of, or an attempt to violate, section 609.342, 609.343, 609.344, or 609.345, until the offender reaches the age of 25. If the offender commits another violation of sections 609.342 to 609.345 as an adult, the court shall retain the juvenile records for as long as the records would have been retained if the offender had been an adult at the time of the juvenile offense. This paragraph does not apply unless the juvenile was represented by an attorney when the petition was admitted or proven.

Sec. 3. Minnesota Statutes 1992, section 260.161, subdivision 3, is amended to read:

Subd. 3. [PEACE OFFICER RECORDS OF CHILDREN.] (a) Except for records relating to an offense where proceedings are public under section 260.155, subdivision 1, peace officers' records of children *who are or may be delinquent or who may be engaged in criminal acts* shall be kept separate from records of persons 18 years of age or older and ~~shall not be open to public inspection or their contents disclosed to the public except are private data but shall be disseminated:~~ (1) by order of the juvenile court, (2) as required by

section 126.036, (3) as authorized under section 13.82, subdivision 2, (4) to the child or the child's parent or guardian unless disclosure of a record would interfere with an ongoing investigation, or (5) as provided in paragraph (d). Except as provided in paragraph (c), no photographs of a child taken into custody may be taken without the consent of the juvenile court *unless the child is alleged to have violated section 169.121 or 169.129. Peace officers' records containing data about children who are victims of crimes or witnesses to crimes must be administered consistent with section 13.82, subdivisions 2, 3, 4, and 10.* Any person violating any of the provisions of this subdivision shall be guilty of a misdemeanor. *In the case of computerized records maintained about juveniles by peace officers, the requirement of this subdivision that records about juveniles must be kept separate from adult records does not mean that a law enforcement agency must keep its records concerning juveniles on a separate computer system. Law enforcement agencies may keep juvenile records on the same computer as adult records and may use a common index to access both juvenile and adult records so long as the agency has in place procedures that keep juvenile records in a separate place in computer storage and that comply with the special data retention and other requirements associated with protecting data on juveniles.*

(b) Nothing in this subdivision prohibits the exchange of information by law enforcement agencies if the exchanged information is pertinent and necessary to the requesting agency in initiating, furthering, or completing a criminal investigation.

(c) A photograph may be taken of a child taken into custody pursuant to section 260.165, subdivision 1, clause (b), provided that the photograph must be destroyed when the child reaches the age of 19 years. The commissioner of corrections may photograph juveniles whose legal custody is transferred to the commissioner. Photographs of juveniles authorized by this paragraph may be used only for institution management purposes and to assist law enforcement agencies to apprehend juvenile offenders. The commissioner shall maintain photographs of juveniles *in the same manner as juvenile court records and names under this section as private data.*

(d) Traffic investigation reports are open to inspection by a person who has sustained physical harm or economic loss as a result of the traffic accident. Identifying information on juveniles who are parties to traffic accidents may be disclosed as authorized under section 13.82, subdivision 4, unless the information would identify a juvenile who was taken into custody or who is suspected of committing an offense that would be a crime if committed by an adult, or would associate a juvenile with the offense, and the offense is not a minor traffic offense under section 260.193.

Sec. 4. Minnesota Statutes 1992, section 299D.06, is amended to read:

299D.06 [INSPECTIONS; WEIGHING.]

Personnel to enforce the laws relating to motor vehicle equipment, school bus equipment, drivers license, motor vehicle registration, motor vehicle size and weight, and motor vehicle petroleum tax, to enforce public utilities commission rules relating to motor carriers, to enforce pollution control agency rules relating to motor vehicle noise abatement, and to enforce laws relating to directing the movement of vehicles shall be classified employees of the commissioner of public safety assigned to the division of state patrol. Employees engaged in these duties, while actually on the job during their working hours only, shall have power to *issue citations in lieu of arrest and*

continued detention and to prepare notices to appear in court for violation of these laws and rules, in the manner provided in section 169.91, subdivision 3. They shall not be armed and shall have none of the other powers and privileges reserved to peace officers.

Sec. 5. Minnesota Statutes 1992, section 480.0591, subdivision 6, is amended to read:

Subd. 6. [PRESENT LAWS EFFECTIVE UNTIL MODIFIED; RIGHTS RESERVED.] Present statutes relating to evidence shall be effective until modified or superseded by court rule. If a rule of evidence is promulgated which is in conflict with a statute, the statute shall thereafter be of no force and effect. The supreme court, however, shall not have the power to promulgate rules of evidence which conflict, modify, or supersede the following statutes:

(a) statutes which relate to the competency of witnesses to testify, found in sections 595.02 to 595.025;

(b) statutes which establish the prima facie evidence as proof of a fact;

(c) statutes which establish a presumption or a burden of proof;

(d) *statutes which relate to the admissibility of statistical probability evidence based on genetic or blood test results; found in sections 634.25 to 634.30;*

(e) statutes which relate to the privacy of communications; and

(e) (f) statutes which relate to the admissibility of certain documents.

The legislature may enact, modify, or repeal any statute or modify or repeal any rule of evidence promulgated under this section.

Sec. 6. Minnesota Statutes 1992, section 624.7131, subdivision 10, is amended to read:

Subd. 10. [TRANSFER REPORT NOT REQUIRED.] A person who transfers a pistol to a *licensed peace officer, as defined in section 626.84, subdivision 1, exhibiting a valid peace officer identification, or to a person exhibiting a valid transferee permit issued pursuant to this section or a valid permit to carry issued pursuant to section 624.714* is not required to file a transfer report pursuant to section 624.7132, subdivision 1.

Sec. 7. Minnesota Statutes 1992, section 624.7132, subdivision 4, is amended to read:

Subd. 4. [DELIVERY.] *Except as otherwise provided in subdivision 7 or 8,* no person shall deliver a pistol to a proposed transferee until seven days after the date of the agreement to transfer as stated on the report delivered to a chief of police or sheriff in accordance with subdivision 1 unless the chief of police or sheriff waives all or a portion of the seven day waiting period.

No person shall deliver a pistol to a proposed transferee after receiving a written notification that the chief of police or sheriff has determined that the proposed transferee is prohibited by section 624.713 from possessing a pistol.

If the transferor makes a report of transfer and receives no written notification of disqualification of the proposed transferee within seven days of

the date of the agreement to transfer, the pistol may be delivered to the transferee.

Sec. 8. Minnesota Statutes 1992, section 624.7132, subdivision 8, is amended to read:

Subd. 8. [REPORT NOT REQUIRED.] (1) If the proposed transferee presents a valid transferee permit issued under section 624.714, subdivision 9 624.7131 or a valid permit to carry issued under section 624.714, *or if the transferee is a licensed peace officer, as defined in section 626.84, subdivision 1, who presents a valid peace officer photo identification and badge*, the transferor need not file a transfer report.

(2) If the transferor makes a report of transfer and receives no written notification of disqualification of the proposed transferee within seven days of the date of the agreement to transfer, no report or investigation shall be required under this section for any additional transfers between that transferor and that transferee which are made within 30 days of the date on which delivery of the first pistol may be made under subdivision 4.

Sec. 9. Minnesota Statutes 1992, section 626.05, subdivision 2, is amended to read:

Subd. 2. The term "peace officer", as used in sections 626.04 to 626.17, means a *person who is licensed as a peace officer in accordance with section 626.84, subdivision 1, and who serves as a sheriff, deputy sheriff, police officer, constable, conservation officer, agent of the bureau of criminal apprehension, agent of the division of gambling enforcement, or University of Minnesota peace officer.*

Sec. 10. Minnesota Statutes 1992, section 626A.06, subdivision 4, is amended to read:

Subd. 4. [THE WARRANT.] Each warrant to intercept communications shall be directed to a law enforcement officer, commanding the officer to hold the recording of all intercepted communications conducted under said warrant in custody subject to the further order of the court issuing the warrant. The warrant shall contain the grounds for its issuance with findings, as to the existence of the matters contained in subdivision 1 and shall also specify:

(a) the identity of the person, if known, whose communications are to be intercepted and recorded;

(b) the nature and location of the communications facilities as to which, or the place where, authority to intercept is granted, and in the case of telephone or telegraph communications the general designation of the particular line or lines involved;

(c) a particular description of the type of communication sought to be intercepted, and a statement of the particular offense to which it relates;

(d) the identity of the law enforcement office or agency authorized to intercept the communications, the name of the officer or officers thereof authorized to intercept communications, and of the person authorizing the application;

(e) the period of time during which such interception is authorized, including a statement as to whether or not the interception shall automatically terminate when the described communication has been first obtained;

(f) any other limitations on the interception of communications being authorized, for the protection of the rights of third persons;

(g) a statement that using, divulging, or disclosing any information concerning such application and warrant for intercepting communications is prohibited and that any violation is punishable by the penalties of this chapter.

(h) a statement that the warrant shall be executed as soon as practicable, shall be executed in such a way as to minimize the interception of communications not otherwise subject to interception under this chapter and must terminate upon attainment of the authorized objective, or in any event in ~~ten~~ 30 days. The ~~ten-day~~ 30-day period begins on the earlier of the day on which the investigative or law enforcement officer first begins to conduct an interception under the order or ~~ten~~ 30 days after the order is received. In the event the intercepted communication is in a code or foreign language, and an expert in that foreign language or code is not reasonably available during the interception period, minimization may be accomplished as soon as practicable after such interception.

An order authorizing the interception of a wire, oral, or electronic communication under this chapter must, upon request of the applicant, direct that a provider of wire or electronic communication service, landlord, custodian, or other person shall furnish the applicant immediately all information, facilities, and technical assistance necessary to accomplish the interception unobtrusively and with a minimum of interference with the services that the service provider, landlord, custodian, or person is according the person whose communications are to be intercepted. A provider of wire or electronic communication service, landlord, custodian, or other person furnishing facilities or technical assistance must be compensated by the applicant for reasonable expenses incurred in providing the facilities or assistance.

Denial of an application for a warrant to intercept communications or of an application for renewal of such warrant shall be by written order that shall include a statement as to the offense or offenses designated in the application, the identity of the official applying for the warrant and the name of the law enforcement office or agency.

Sec. 11. Minnesota Statutes 1992, section 626A.06, subdivision 5, is amended to read:

Subd. 5. [DURATION OF WARRANT.] No warrant entered under this section may authorize or approve the interception of any wire, electronic, or oral communication for any period longer than is necessary to achieve the objective of the authorization, nor in any event longer than ~~ten~~ 30 days.

The effective period of any warrant for intercepting communications shall terminate immediately when any person named in the warrant has been charged with an offense specified in the warrant.

ARTICLE 3

PROSTITUTION

Section 1. [609.5318] [CERTAIN LOCAL FORFEITURE ORDINANCES AUTHORIZED.]

Subdivision 1. [AUTHORITY.] A home rule charter or statutory city may enact an ordinance providing for the forfeiture of a motor vehicle used to commit or facilitate, or used during the commission of, a violation of section 609.324 or a violation of a local ordinance substantially similar to section 609.324. A motor vehicle is subject to forfeiture under an ordinance authorized by this section only if the offense is established by proof of a criminal conviction for the offense.

Subd. 2. [PROCEDURES.] Except as otherwise provided in this section, an ordinance adopted under the authority of this section shall contain procedures that are identical to those contained in sections 609.531, 609.5312, and 609.5313. An ordinance adopted under this section must exempt from impoundment and forfeiture any motor vehicle leased or rented under the authority set forth in section 168.27, subdivision 4, for a period of less than 180 days.

Subd. 3. [ADDITIONAL PROCEDURES AND REQUIREMENTS.] (a) An ordinance adopted under the authority of this section must also contain the provisions described in this subdivision.

(b) The ordinance must provide that if a motor vehicle is seized in advance of a judicial forfeiture order, a hearing before a judge or referee must be held within 96 hours of the seizure. Notice of the hearing must be given to the registered owner within 48 hours of the seizure. The ordinance must also require the prosecuting authority to certify to the court, at or in advance of the hearing, that it has filed or intends to file charges against the alleged violator for violating section 609.324 or a local ordinance substantially similar to section 609.324.

(c) The ordinance must provide that after conducting a hearing described in paragraph (b), the court shall order that the motor vehicle be returned to the owner if:

(1) the prosecutor has failed to make the certification required by paragraph (b);

(2) the owner of the motor vehicle has demonstrated to the court's satisfaction that the owner has a defense to the forfeiture, including but not limited to the defenses contained in section 609.5312, subdivision 2; or

(3) the court determines that seizure of the vehicle creates or would create an undue hardship for members of the owner's family.

(d) The ordinance must provide that a court conducting a hearing under paragraph (b) also may order that the motor vehicle be returned to the owner within 24 hours if the owner surrenders the motor vehicle's certificate of title to the court, pending resolution of the criminal proceeding and forfeiture action. If the certificate is surrendered to the court, the owner may not be ordered to post security or bond as a condition to release of the vehicle. When a certificate of title is surrendered to a court under this provision, the court shall notify the department of public safety and any secured party noted on the certificate. The court shall also notify the department and the secured party when it returns a surrendered title to the motor vehicle owner.

Subd. 4. [REPORT.] A city adopting an ordinance under this section shall submit a report to the bureau of criminal apprehension by October 15 of each year, beginning in 1994, describing the use of the ordinance and the number of vehicles seized and forfeited during the 12 months ended the previous June

30. *The superintendent of the bureau shall include in a report to the legislature a summary of the cities' reports.*

ARTICLE 4

MISCELLANEOUS

Section 1. Minnesota Statutes 1992, section 169.222, subdivision 6, is amended to read:

Subd. 6. [BICYCLE EQUIPMENT.] (a) No person shall operate a bicycle at nighttime unless the bicycle or its operator is equipped with a lamp which shall emit a white light visible from a distance of at least 500 feet to the front and with a red reflector of a type approved by the department of public safety which is visible from all distances from 100 feet to 600 feet to the rear when directly in front of lawful lower beams of head lamps on a motor vehicle. No person may operate a bicycle at any time when there is not sufficient light to render persons and vehicles on the highway clearly discernible at a distance of 500 feet ahead unless the bicycle or its operator is equipped with reflective surfaces that shall be visible during the hours of darkness from 600 feet when viewed in front of lawful lower beams of head lamps on a motor vehicle.

The reflective surfaces shall include reflective materials on each side of each pedal to indicate their presence from the front or the rear and with a minimum of 20 square inches of reflective material on each side of the bicycle or its operator. Any bicycle equipped with side reflectors as required by regulations for new bicycles prescribed by the United States Consumer Product Safety Commission shall be considered to meet the requirements for side reflectorization contained in this subdivision.

A bicycle may be equipped with a rear lamp that emits a red flashing signal.

(b) No person shall operate a bicycle unless it is equipped with a brake which will enable the operator to make the braked wheels skid on dry, level, clean pavement.

(c) No person shall operate upon a highway any bicycle equipped with handlebars so raised that the operator must elevate the hands above the level of the shoulders in order to grasp the normal steering grip area.

(d) No person shall operate upon a highway any bicycle which is of such a size as to prevent the operator from stopping the bicycle, supporting it with at least one foot on the highway surface and restarting in a safe manner.

Sec. 2. Minnesota Statutes 1992, section 169.222, is amended by adding a subdivision to read:

Subd. 11. [PEACE OFFICERS OPERATING BICYCLES.] The provisions of this section governing operation of bicycles do not apply to bicycles operated by peace officers while performing their duties.

Sec. 3. Minnesota Statutes 1992, section 169.64, subdivision 3, is amended to read:

Subd. 3. [FLASHING LIGHTS.] Flashing lights are prohibited, except on an authorized emergency vehicle, school bus, *bicycle as provided in section 169.222, subdivision 6*, road maintenance equipment, tow truck or towing vehicle, service vehicle, farm tractors, self-propelled farm equipment or on any vehicle as a means of indicating a right or left turn, or the presence of a

vehicular traffic hazard requiring unusual care in approaching, overtaking or passing. All flashing warning lights shall be of the type authorized by section 169.59, subdivision 4, unless otherwise permitted or required in this chapter.

Sec. 4. Minnesota Statutes 1992, section 244.05, subdivision 4, is amended to read:

Subd. 4. [MINIMUM IMPRISONMENT, LIFE SENTENCE.] An inmate serving a mandatory life sentence under section 609.184 must not be given supervised release under this section. An inmate serving a mandatory life sentence under section 609.185, clause (1), (3), ~~(4)~~, (5), or (6); or 609.346, subdivision 2a, must not be given supervised release under this section without having served a minimum term of 30 years. An inmate serving a mandatory life sentence under section 609.385 must not be given supervised release under this section without having served a minimum term of imprisonment of 17 years.

Sec. 5. Minnesota Statutes 1992, section 244.05, subdivision 5, is amended to read:

Subd. 5. [SUPERVISED RELEASE, LIFE SENTENCE.] The commissioner of corrections may, under rules promulgated by the commissioner, give supervised release to an inmate serving a mandatory life sentence under section 609.185, clause (1), (3), ~~(4)~~, (5), or (6); 609.346, subdivision 2a; or 609.385 after the inmate has served the minimum term of imprisonment specified in subdivision 4.

Sec. 6. Minnesota Statutes 1992, section 289A.63, is amended by adding a subdivision to read:

Subd. 11. [CONSOLIDATION OF VENUE.] If two or more offenses in this section are committed by the same person in more than one county, the accused may be prosecuted for all the offenses in any county in which one of the offenses was committed.

Sec. 7. Minnesota Statutes 1992, section 297B.10, is amended to read:

297B.10 [PENALTIES.]

(1) Any person, including persons other than the purchaser, who prepares, completes, or submits a false or fraudulent motor vehicle purchaser's certificate with intent to defeat or evade the tax imposed under this chapter or any purchaser who fails to complete or submit a motor vehicle purchaser's certificate with intent to defeat or evade the tax or who attempts to defeat or evade the tax in any manner, is guilty of a gross misdemeanor unless the tax involved exceeds \$300, in which event the person is guilty of a felony. The term "person" as used in this section includes any officer or employee of a corporation or a member or employee of a partnership who as an officer, member, or employee is under a duty to perform the act with respect to which the violation occurs. Notwithstanding the provisions of section 628.26 or any other provision of the criminal laws of this state, an indictment may be found and filed, or a complaint filed, upon any criminal offense specified in this section, in the proper court within six years after the commission of the offense.

(2) Any person who violates any of the provisions of this chapter, unless the violation be of the type referred to in clause (1), is guilty of a misdemeanor

and shall be punished by a fine of not less than \$50 nor more than \$100 or by imprisonment in the county jail for not less than 30 days, or both.

(3) *When two or more offenses in clause (1) are committed by the same person within six months, the offenses may be aggregated; further, if the offenses are committed in more than one county, the accused may be prosecuted for all the offenses aggregated under this paragraph in any county in which one of the offenses was committed.*

Sec. 8. Minnesota Statutes 1992, section 388.23, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY.] The county attorney, or any deputy or assistant county attorney whom the county attorney authorizes in writing, has the authority to subpoena and require the production of any records of telephone companies, cellular phone companies, paging companies, electric companies, gas companies, water utilities, chemical suppliers, hotels and motels, *pawn shops*, airlines, buses, taxis, and other entities engaged in the business of transporting people, and freight companies, warehousing companies, *self-service storage facilities*, package delivery companies, and other entities engaged in the businesses of transport, storage, or delivery, and records of the existence of safe deposit box account numbers and customer savings and checking account numbers maintained by financial institutions and safe deposit companies. Subpoenas may only be issued for records that are relevant to an ongoing legitimate law enforcement investigation.

Sec. 9. Minnesota Statutes 1992, section 609.035, is amended to read:

609.035 [CRIME PUNISHABLE UNDER DIFFERENT PROVISIONS.]

Except as provided in sections 609.251, 609.585, 609.21, subdivisions 3 and 4, 609.2691, 609.486, and 609.856, if a person's conduct constitutes more than one offense under the laws of this state, the person may be punished for only one of the offenses and a conviction or acquittal of any one of them is a bar to prosecution for any other of them. All the offenses, if prosecuted, shall be included in one prosecution which shall be stated in separate counts.

Sec. 10. Minnesota Statutes 1992, section 609.135, subdivision 1a, is amended to read:

Subd. 1a. [FAILURE TO PAY RESTITUTION OR FINE.] If the court orders payment of restitution *or a fine* as a condition of probation and if the defendant fails to pay the restitution *or the fine* in accordance with the payment schedule or structure established by the court or the probation officer, the defendant's probation officer may, on the officer's own motion or at the request of the victim, ask the court to hold a hearing to determine whether or not the conditions of probation should be changed or probation should be revoked. The defendant's probation officer shall ask for the hearing if the restitution *or fine* ordered has not been paid prior to 60 days before the term of probation expires. The court shall schedule and hold this hearing and take appropriate action, including action under subdivision 2, paragraph (f), before the defendant's term of probation expires.

Sec. 11. Minnesota Statutes 1992, section 609.135, subdivision 2, is amended to read:

Subd. 2: (a) If the conviction is for a felony the stay shall be for not more

than three years or the maximum period for which the sentence of imprisonment might have been imposed, whichever is longer.

(b) If the conviction is for a gross misdemeanor violation of section 169.121 or 169.129, the stay shall be for not more than three years. The court shall provide for unsupervised probation for the last one year of the stay unless the court finds that the defendant needs supervised probation for all or part of the last one year.

(c) If the conviction is for a gross misdemeanor not specified in paragraph (b), the stay shall be for not more than two years.

(d) If the conviction is for any misdemeanor under section 169.121; 609.746, subdivision 1; 609.79; or 617.23; or for a misdemeanor under section 609.224, subdivision 1, in which the victim of the crime was a family or household member as defined in section 518B.01, the stay shall be for not more than two years. The court shall provide for unsupervised probation for the second year of the stay unless the court finds that the defendant needs supervised probation for all or part of the second year.

(e) If the conviction is for a misdemeanor not specified in paragraph (d), the stay shall be for not more than one year.

(f) The defendant shall be discharged when the stay expires, unless the stay has been revoked or extended under paragraph (g), or the defendant has already been discharged.

(g) Notwithstanding the maximum periods specified for stays of sentences under paragraphs (a) to (f), a court may extend a defendant's term of probation for up to one year if it finds, at a hearing conducted under subdivision 1a, that:

(1) the defendant has not paid court-ordered restitution *or a fine* in accordance with the payment schedule or structure; and

(2) the defendant is likely to not pay the restitution *or fine* the defendant owes before the term of probation expires.

This one-year extension of probation for failure to pay restitution *or a fine* may be extended by the court for up to one additional year if the court finds, at another hearing conducted under subdivision 1a, that the defendant still has not paid the court-ordered restitution *or fine* that the defendant owes.

Sec. 12. Minnesota Statutes 1992, section 609.184, subdivision 2, is amended to read:

Subd. 2. [LIFE WITHOUT RELEASE.] The court shall sentence a person to life imprisonment without possibility of release under the following circumstances:

(1) the person is convicted of first degree murder under section 609.185, clause (2) *or* (4); or

(2) the person is convicted of first degree murder under section 609.185, clause (1), (3), ~~(4)~~, (5), or (6), and the court determines on the record at the time of sentencing that the person has one or more previous convictions for a heinous crime.

Sec. 13. Minnesota Statutes 1992, section 609.251, is amended to read:

609.251 [DOUBLE JEOPARDY; KIDNAPPING.]

Notwithstanding section 609.04, a prosecution for or conviction of the crime of kidnapping is not a bar to conviction of or punishment for any other crime committed during the time of the kidnapping.

Sec. 14. Minnesota Statutes 1992, section 609.585, is amended to read:

609.585 [DOUBLE JEOPARDY.]

Notwithstanding section 609.04 a prosecution for or conviction of the crime of burglary is not a bar to conviction of or punishment for any other crime committed on entering or while in the building entered.

Sec. 15. Minnesota Statutes 1992, section 609.713, subdivision 1, is amended to read:

Subdivision 1. Whoever threatens, directly or indirectly, to commit any crime of violence with purpose to terrorize another or to cause evacuation of a building, place of assembly or facility of public transportation or otherwise to cause serious public inconvenience, or in a reckless disregard of the risk of causing such terror or inconvenience may be sentenced to imprisonment for not more than five years. *As used in this subdivision, "crime of violence" has the meaning given "violent crime" in section 609.152, subdivision 1, paragraph (d).*

Sec. 16. Minnesota Statutes 1992, section 609.856, subdivision 1, is amended to read:

Subdivision 1. [ACTS CONSTITUTING.] Whoever has in possession or uses a radio or device capable of receiving or transmitting a police radio signal, message, or transmission of information used for law enforcement purposes, while in the commission of a felony or violation of section 609.487 or the attempt to commit a felony or violation of section 609.487, is guilty of a felony and may be sentenced to imprisonment for not more than three years or to payment of a fine of not more than \$5,000, or both. *Notwithstanding section 609.04, a prosecution for or conviction of the crime of use or possession of a police radio under this section is not a bar to conviction of or punishment for any other crime committed while possessing or using the police radio by the defendant as part of the same conduct.*

Sec. 17. [EFFECTIVE DATE.]

Sections 1 to 3, 6, 7, 9, and 13 to 16 are effective August 1, 1993, and apply to crimes committed on or after that date. Sections 4, 5, and 12 are effective October 1, 1993, and apply to crimes committed on or after that date. Sections 8 and 10 are effective August 1, 1993.

ARTICLE 5

PROBATION

Section 1. Minnesota Statutes 1992, section 243.166, subdivision 1, is amended to read:

Subdivision 1. [REGISTRATION REQUIRED.] A person shall ~~comply with register under this section after being released from prison if:~~

(1) the person was sentenced to imprisonment following a conviction for kidnapping under section 609.25, criminal sexual conduct under section 609.342, 609.343, 609.344, or 609.345, solicitation of children to engage in

sexual conduct under section 609.352, use of minors in a sexual performance under section 617.246, or solicitation of children to practice prostitution under section 609.322, and the offense was committed against a victim who was a minor;

(2) the person is not now required to register under section 243.165; and

(3) ten years have not yet elapsed since the person was released from imprisonment charged with a felony violation of or attempt to violate any of the following, and convicted of that offense or of another offense arising out of the same set of circumstances:

(i) murder under section 609.185, clause (2);

(ii) kidnapping under section 609.25, involving a minor victim; or

(iii) criminal sexual conduct under section 609.342, subdivision 1, paragraph (a), (b), (c), (d), (e), or (f); 609.343, subdivision 1, paragraph (a), (b), (c), (d), (e), or (f); 609.344, subdivision 1, paragraph (c), or (d); or 609.345, subdivision 1, paragraph (c), or (d); or

(2) the person was convicted of a predatory crime as defined in section 609.1352, and the offender was sentenced as a patterned sex offender or the court found on its own motion or that of the prosecutor that the crime was part of a predatory pattern of behavior that had criminal sexual conduct as its goal.

Sec. 2. Minnesota Statutes 1992, section 243.166, subdivision 2, is amended to read:

Subd. 2. [NOTICE.] When a person who is required to register under this section is released ~~sentenced~~, the ~~commissioner of corrections court~~ shall tell the person of the duty to register under section 243.165 and this section. The ~~commissioner court~~ shall require the person to read and sign a form stating that the duty of the person to register under this section has been explained. The commissioner shall obtain the address where the person expects to reside upon release and shall report within three days the address to the bureau of criminal apprehension. The commissioner shall give one copy of the form to the person, and shall send one copy to the bureau of criminal apprehension and one copy to the appropriate law enforcement agency having local jurisdiction where the person expects to reside upon release.

Sec. 3. Minnesota Statutes 1992, section 243.166, subdivision 3, is amended to read:

Subd. 3. [REGISTRATION PROCEDURE.] (a) The person shall, within 14 days after the end of the term of supervised release, register with the ~~probation officer corrections agent~~ as soon as the agent is assigned to the person at the end of that term.

(b) If the person changes residence address, the person shall give the new address to the current or last assigned ~~probation officer corrections agent~~ in writing within ten days. An offender is deemed to change addresses when the offender remains at a new address for longer than two weeks and evinces an intent to take up residence there. The ~~probation officer agent~~ shall, within three business days after receipt of this information, forward it to the bureau of criminal apprehension.

Sec. 4. Minnesota Statutes 1992, section 243.166, subdivision 4, is amended to read:

Subd. 4. [CONTENTS OF REGISTRATION.] The registration provided to the ~~probation officer~~ *corrections agent* must consist of a statement in writing signed by the person, giving information required by the bureau of criminal apprehension, and a fingerprint card and photograph of the person if these have not already been obtained in connection with the offense that triggers registration. Within three days, the ~~probation officer~~ *corrections agent* shall forward the statement, fingerprint card, and photograph to the bureau of criminal apprehension. *The bureau shall send one copy to the appropriate law enforcement authority that will have jurisdiction where the person will reside on release or discharge.*

Sec. 5. Minnesota Statutes 1992, section 243.166, subdivision 6, is amended to read:

Subd. 6. [REGISTRATION PERIOD.] (a) Notwithstanding the provisions of section 609.165, subdivision 1, a person required to register under this section shall continue to comply with this section until ten years have elapsed since the person was ~~released from imprisonment~~ *initially assigned to a corrections agent in connection with the offense, or until the probation, supervised release, or conditional release period expires, whichever occurs later.*

(b) If a person required to register under this section fails to register following a change in address, the commissioner of public safety may require the person to continue to register for an additional period of five years.

Sec. 6. Minnesota Statutes 1992, section 243.166, is amended by adding a subdivision to read:

Subd. 8. [LAW ENFORCEMENT AUTHORITY.] *For purposes of this section, a law enforcement authority means, with respect to a home rule charter or statutory city, the chief of police, and with respect to an unincorporated area, the sheriff of the county.*

Sec. 7. Minnesota Statutes 1992, section 243.166, is amended by adding a subdivision to read:

Subd. 9. [PRISONERS FROM OTHER STATES.] *When the state accepts a prisoner from another state under a reciprocal agreement under the interstate compact authorized by section 243.16, the acceptance is conditional on the offender agreeing to register under this section when the offender is living in Minnesota following a term of imprisonment if any part of that term was served in this state.*

Sec. 8. Minnesota Statutes 1992, section 299C.46, is amended by adding a subdivision to read:

Subd. 5. [DIVERSION PROGRAMS.] *The bureau of criminal apprehension shall receive from counties operating diversion programs the names of and other identifying data specified by the bureau of criminal apprehension concerning diversion program participants, and maintain the names and data in the computerized criminal history system for 20 years from the date of the offense. Data maintained under this subdivision are private data.*

Sec. 9. Minnesota Statutes 1992, section 299C.54, is amended by adding a subdivision to read:

Subd. 3a. [COLLECTION OF DATA.] Identifying information on missing children entered into the NCIC computer regarding cases that are still active at the time the missing children bulletin is compiled each quarter may be included in the bulletin.

Sec. 10. Minnesota Statutes 1992, section 401.02, subdivision 4, is amended to read:

Subd. 4. [DETAINING PERSON ON CONDITIONAL RELEASE.] (a) Probation officers serving the district and juvenile courts of counties participating in the subsidy program established by this chapter may, without order or warrant, when it appears necessary to prevent escape or enforce discipline, take and detain a probationer, or any person on conditional release and bring that person before the court or the commissioner of corrections or a designee, whichever is appropriate, for disposition. No probationer or other person on conditional release shall be detained more than 72 hours, exclusive of legal holidays, Saturdays and Sundays, pursuant to this subdivision without being provided with the opportunity for a hearing before the court or the commissioner of corrections or a designee. When providing supervision and other correctional services to persons conditionally released pursuant to sections 241.26, 242.19, 243.05, 243.16, 244.05, and 244.065, including intercounty transfer of persons on conditional release, and the conduct of presentence investigations, participating counties shall comply with the policies and procedures relating thereto as prescribed by the commissioner of corrections.

(b) The written order of the chief executive officer or designee of a community corrections agency established under this chapter is sufficient authority for any peace officer or county probation officer to take and place in actual custody any person under sentence or on probation who:

(1) fails to report to serve a sentence at a local correctional facility, as defined in section 241.021, subdivision 1;

(2) fails to return from furlough or authorized temporary release from a local correctional facility;

(3) escapes from a local correctional facility; or

(4) absconds from court-ordered home detention.

(c) *The written order of the chief executive officer or designee of a community corrections agency established under this chapter is sufficient authority for any peace officer or county probation officer to take and place in actual custody any person on a court authorized pretrial release who absconds from pretrial release or fails to abide by the conditions of pretrial release.*

Sec. 11. [401.065] [PRETRIAL DIVERSION PROGRAMS.]

Subdivision 1. [DEFINITION.] *As used in this section:*

(1) "offender" means a person who:

(i) is charged with a felony, gross misdemeanor, or misdemeanor crime, other than a crime against the person, but who has not yet entered a plea in the proceedings;

(ii) has not previously been convicted as an adult in Minnesota or any other state of any felony crime against the person; and

(iii) has not previously been charged with a crime as an adult in Minnesota and then had charges dismissed as part of a diversion program, including a program that existed before July 1, 1994; and

(2) "pretrial diversion" means the decision of a prosecutor to refer an offender to a diversion program on condition that the criminal charges against the offender will be dismissed after a specified period of time if the offender successfully completes the program.

Subd. 2. [ESTABLISHMENT OF PROGRAM.] By July 1, 1994, every county attorney of a county participating in the community corrections act shall establish a pretrial diversion program for adult offenders. The program must be designed and operated to further the following goals:

(1) to provide eligible offenders with an alternative to confinement and a criminal conviction;

(2) to reduce the costs and caseload burdens on district courts and the criminal justice system;

(3) to minimize recidivism among diverted offenders;

(4) to promote the collection of restitution to the victim of the offender's crime; and

(5) to develop responsible alternatives to the criminal justice system for eligible offenders.

Subd. 3. [PROGRAM COMPONENTS.] A diversion program established under this section may:

(1) provide screening services to the court and the prosecuting authorities to help identify likely candidates for pretrial diversion;

(2) establish goals for diverted offenders and monitor performance of these goals;

(3) perform chemical dependency assessments of diverted offenders where indicated, make appropriate referrals for treatment, and monitor treatment and aftercare;

(4) provide individual, group, and family counseling services;

(5) oversee the payment of victim restitution by diverted offenders;

(6) assist diverted offenders in identifying and contacting appropriate community resources;

(7) provide educational services to diverted offenders to enable them to earn a high school diploma or GED; and

(8) provide accurate information on how diverted offenders perform in the program to the court, prosecutors, defense attorneys, and probation officers.

Subd. 4. [REPORTS.] By January 1, 1995, and biennially thereafter, each county attorney shall report to the department of corrections on the operation of a pretrial diversion program required by this section. The commissioner shall include in the report to the legislature a summary of the reports submitted by county attorneys under this section. The report shall include a description of the program, the number of offenders participating in the program, the number and characteristics of the offenders who successfully

complete the program, the number and characteristics of the offenders who fail to complete the program, and an evaluation of the program's effect on the operation of the criminal justice system in the county.

Sec. 12. Minnesota Statutes 1992, section 609.135, subdivision 1a, is amended to read:

Subd. 1a. [FAILURE TO PAY RESTITUTION.] If the court orders payment of restitution as a condition of probation and if the defendant fails to pay the restitution in accordance with the payment schedule or structure established by the court or the probation officer, the *prosecutor or the* defendant's probation officer may, on ~~the officer's~~ *the prosecutor's* own motion or at the request of the victim, ask the court to hold a hearing to determine whether or not the conditions of probation should be changed or probation should be revoked. The defendant's probation officer shall ask for the hearing if the restitution ordered has not been paid prior to 60 days before the term of probation expires. The court shall schedule and hold this hearing and take appropriate action, including action under subdivision 2, paragraph ~~(f)~~ (g), before the defendant's term of probation expires.

Sec. 13. Minnesota Statutes 1992, section 609.135, subdivision 2, is amended to read:

Subd. 2. (a) If the conviction is for a felony the stay shall be for not more than three years or the maximum period for which the sentence of imprisonment might have been imposed, whichever is longer.

(b) If the conviction is for a gross misdemeanor violation of section 169.121 or 169.129, the stay shall be for not more than three years. The court shall provide for unsupervised probation for the last one year of the stay unless the court finds that the defendant needs supervised probation for all or part of the last one year.

(c) If the conviction is for a gross misdemeanor not specified in paragraph (b), the stay shall be for not more than two years.

(d) If the conviction is for any misdemeanor under section 169.121; 609.746, subdivision 1; 609.79; or 617.23; or for a misdemeanor under section 609.224, subdivision 1, in which the victim of the crime was a family or household member as defined in section 518B.01, the stay shall be for not more than two years. The court shall provide for unsupervised probation for the second year of the stay unless the court finds that the defendant needs supervised probation for all or part of the second year.

(e) If the conviction is for a misdemeanor not specified in paragraph (d), the stay shall be for not more than one year.

(f) The defendant shall be discharged ~~when~~ *six months after the term of the* stay expires, unless the stay has been revoked or extended under paragraph (g), or the defendant has already been discharged.

(g) Notwithstanding the maximum periods specified for stays of sentences under paragraphs (a) to (f), a court may extend a defendant's term of probation for up to one year if it finds, at a hearing conducted under subdivision 1a, that:

(1) the defendant has not paid court-ordered restitution in accordance with the payment schedule or structure; and

(2) the defendant is likely to not pay the restitution the defendant owes before the term of probation expires.

This one-year extension of probation for failure to pay restitution may be extended by the court for up to one additional year if the court finds, at another hearing conducted under subdivision 1a, that the defendant still has not paid the court-ordered restitution that the defendant owes.

Sec. 14. Minnesota Statutes 1992, section 609.14, subdivision 1, is amended to read:

Subdivision 1. [GROUNDS.] (a) When it appears that the defendant has violated any of the conditions of probation or intermediate sanction, or has otherwise been guilty of misconduct which warrants the imposing or execution of sentence, the court may without notice revoke the stay ~~thereof and probation~~ and direct that the defendant be taken into immediate custody.

(b) *When it appears that the defendant violated any of the conditions of probation during the term of the stay, but the term of the stay has since expired, the defendant's probation officer or the prosecutor may ask the court to initiate probation revocation proceedings under the rules of criminal procedure at any time within six months after the expiration of the stay. The court also may initiate proceedings under these circumstances on its own motion. If proceedings are initiated within this six-month period, the court may conduct a revocation hearing and take any action authorized under rule 27.04 at any time during or after the six-month period.*

Sec. 15. Minnesota Statutes 1992, section 609.3461, is amended to read:

609.3461 [DNA ANALYSIS OF SEX OFFENDERS REQUIRED.]

Subdivision 1. [UPON SENTENCING.] ~~When a~~ *The court shall order an offender to provide a biological specimen for the purpose of DNA analysis as defined in section 299C.155 when:*

(1) *the court sentences a person convicted of charged with violating or attempting to violate section 609.342, 609.343, 609.344, or 609.345, or when a who is convicted of violating one of those sections or of any felony offense arising out of the same set of circumstances;*

(2) *the court sentences a person as a patterned sex offender under section 609.1352; or*

(3) *the juvenile court adjudicates a person a delinquent child who is the subject of a delinquency petition for violating or attempting to violate section 609.342, 609.343, 609.344, or 609.345, it shall order the person to provide a biological specimen for the purpose of DNA analysis as defined in section 299C.155 and the delinquency adjudication is based on a violation of one of those sections or of any felony-level offense arising out of the same set of circumstances. The biological specimen or the results of the analysis shall be maintained by the bureau of criminal apprehension as provided in section 299C.155.*

Subd. 2. [BEFORE RELEASE.] *If a person convicted of violating or attempting to violate section 609.342, 609.343, 609.344, or 609.345, or initially charged with violating one of those sections and convicted of another felony offense arising out of the same set of circumstances, or sentenced as a patterned sex offender under section 609.1352, and committed to the custody*

of the commissioner of corrections for a term of imprisonment, or serving a term of imprisonment in this state under a reciprocal agreement although convicted in another state of an offense described in this subdivision or under any similar law of the United States or any other state, has not provided a biological specimen for the purpose of DNA analysis, the commissioner of corrections or local corrections authority shall order the person to provide a biological specimen for the purpose of DNA analysis before completion of the person's term of imprisonment. The commissioner of corrections or local corrections authority shall forward the sample to the bureau of criminal apprehension.

Subd. 3. [PRISONERS FROM OTHER STATES.] When the state accepts a prisoner from another state under a reciprocal agreement under the interstate compact authorized by section 243.16, the acceptance is conditional on the offender providing a biological specimen for the purposes of DNA analysis as defined in section 299C.155, if the offender was convicted of an offense described in subdivision 1 or under any similar law of the United States or any other state. The specimen must be provided under supervision of staff from the department of corrections or a community corrections act county within 15 business days after the offender reports to the supervising agent. The cost of obtaining the biological specimen is the responsibility of the agency providing supervision.

Sec. 16. [PROBATION TASK FORCE.]

Subdivision 1. [CONTINUATION OF TASK FORCE.] The probation standards task force appointed under Laws 1992, chapter 571, article 11, section 15, shall file the report required by this section.

Subd. 2. [STAFF.] The commissioner of corrections shall make available staff as appropriate to support the work of the task force.

Subd. 3. [REPORT.] The task force shall report to the legislature by October 1, 1994, concerning:

- (1) the number of additional probation officers needed;*
- (2) the funding required to provide the necessary additional probation officers;*
- (3) a recommended method of funding these new positions, including a recommendation concerning the relative county and state obligations;*
- (4) recommendations as to appropriate standardized case definitions and reporting procedures to facilitate uniform reporting of the number and type of cases and offenders;*
- (5) legislative changes needed to implement objectively defined case classification systems; and*
- (6) any other general recommendations to improve the quality and administration of probation services in the state.*

Sec. 17. [REPEALER.]

Minnesota Statutes 1992, section 243.165, is repealed.

Sec. 18. [EFFECTIVE DATE.]

Sections 12, 13, and 14, are effective August 1, 1993, and apply to all defendants placed on probation on or after that date. Section 15, subdivision 1, is effective August 1, 1993, and applies to offenders sentenced on or after that date. Section 16 is effective the day following final enactment.

ARTICLE 6

NEW FELONY SENTENCING LAW

Section 1. Minnesota Statutes 1992, section 243.18, subdivision 2, is amended to read:

Subd. 2. [WORK REQUIRED; GOOD TIME.] *This subdivision applies only to inmates sentenced before August 1, 1993. An inmate for whom a work assignment is available may not earn good time under subdivision 1 for any day on which the inmate does not perform the work assignment. The commissioner may excuse an inmate from work only for illness, physical disability, or to participate in an education or treatment program.*

Sec. 2. Minnesota Statutes 1992, section 243.18, is amended by adding a subdivision to read:

Subd. 2a. [WORK REQUIRED; DISCIPLINARY CONFINEMENT.] *This subdivision applies only to inmates sentenced on or after August 1, 1993. The commissioner shall impose a disciplinary confinement period of two days for each day on which a person for whom a work assignment is available does not perform the work assignment. The commissioner may excuse an inmate from work only for illness, physical disability, or to participate in an education or treatment program.*

Sec. 3. Minnesota Statutes 1992, section 244.01, subdivision 8, is amended to read:

Subd. 8. "Term of imprisonment," as applied to inmates whose crimes were committed before August 1, 1993, is the period of time ~~to for~~ which an inmate is committed to the custody of the commissioner of corrections minus earned good time. "Term of imprisonment," as applied to inmates whose crimes were committed on or after August 1, 1993, is the period of time ~~which an inmate is ordered to serve in prison by the sentencing court; plus any disciplinary confinement period imposed by the commissioner under section 244.05; subdivision 1b~~ equal to two-thirds of the inmate's executed sentence.

Sec. 4. Minnesota Statutes 1992, section 244.01, is amended by adding a subdivision to read:

Subd. 9. [EXECUTED SENTENCE.] *"Executed sentence" means the total period of time for which an inmate is committed to the custody of the commissioner of corrections.*

Sec. 5. Minnesota Statutes 1992, section 244.05, subdivision 1b, is amended to read:

Subd. 1b. [SUPERVISED RELEASE; OFFENDERS WHO COMMIT CRIMES ON OR AFTER AUGUST 1, 1993.] (a) Except as provided in subdivisions 4 and 5, every inmate sentenced to prison for a felony offense committed on or after August 1, 1993, shall serve a supervised release term upon completion of the inmate's term of imprisonment ~~pronounced by the sentencing court under section 244.101~~ and any disciplinary confinement

period imposed by the commissioner due to the inmate's violation of any disciplinary offense rule adopted by the commissioner under paragraph (b). The *amount of time the inmate serves on supervised release term* shall be equal in length to the amount of time remaining in the inmate's ~~imposed~~ *executed* sentence after the inmate has served the ~~pronounced~~ term of imprisonment and any disciplinary confinement period imposed by the commissioner.

(b) By August 1, 1993, the commissioner shall modify the commissioner's existing disciplinary rules to specify disciplinary offenses which may result in imposition of a disciplinary confinement period and the length of the disciplinary confinement period for each disciplinary offense. These disciplinary offense rules may cover violation of institution rules, refusal to work, refusal to participate in treatment or other rehabilitative programs, and other matters determined by the commissioner. No inmate who violates a disciplinary rule shall be placed on supervised release until the inmate has served the disciplinary confinement period or until the inmate is discharged or released from punitive segregation confinement, whichever is later. The imposition of a disciplinary confinement period shall be considered to be a disciplinary sanction imposed upon an inmate, and the procedure for imposing the disciplinary confinement period and the rights of the inmate in the procedure shall be those in effect for the imposition of other disciplinary sanctions at each state correctional institution.

Sec. 6. Minnesota Statutes 1992, section 244.101, is amended to read:

244.101 [SENTENCING OF FELONY OFFENDERS WHO COMMIT OFFENSES ON AND AFTER AUGUST 1, 1993.]

Subdivision 1. [~~SENTENCING AUTHORITY EXECUTED SENTENCES.~~] When a felony offender is sentenced to a fixed ~~executed prison~~ sentence for an offense committed on or after August 1, 1993, the ~~executed sentence pronounced by the court shall consist~~ *consists* of two parts: (1) a specified minimum term of imprisonment *that is equal to two-thirds of the executed sentence*; and (2) a specified maximum supervised release term *that is one-half of the minimum term of imprisonment equal to one-third of the executed sentence*. The ~~lengths of the term of imprisonment and the supervised release term actually served by an inmate are~~ *amount of time the inmate actually serves in prison and on supervised release is* subject to the provisions of section 244.05, subdivision 1b.

Subd. 2. [EXPLANATION OF SENTENCE.] When a court pronounces an ~~executed~~ sentence under this section, it shall ~~specify~~ *explain*: (1) the total length of the ~~executed sentence~~; (2) the amount of time the defendant will serve in prison; and (3) the amount of time the defendant will serve on supervised release, assuming the defendant commits no disciplinary offense in prison that ~~may result~~ *results* in the imposition of a disciplinary confinement period. The court shall also explain that the ~~defendant's term of imprisonment~~ *amount of time the defendant actually serves in prison* may be extended by the commissioner if the defendant commits any disciplinary offenses in prison and that this extension could result in the defendant's serving the entire ~~pronounced~~ *executed* sentence in prison. The court's explanation shall be included in the ~~sentencing order~~ *a written summary of the sentence*.

Subd. 3. [NO RIGHT TO SUPERVISED RELEASE.] Notwithstanding the court's ~~specification~~ *explanation* of the potential length of a defendant's

supervised release term in the sentencing order, the court's order explanation creates no right of a defendant to any specific, minimum length of a supervised release term.

Subd. 4. [APPLICATION OF STATUTORY MANDATORY MINIMUM SENTENCES.] If the defendant is convicted of any offense for which a statute imposes a mandatory minimum sentence or term of imprisonment, the statutory mandatory minimum sentence or term governs the length of the entire executed sentence pronounced by the court under this section.

Sec. 7. Minnesota Statutes 1992, section 244.14, subdivision 2, is amended to read:

Subd. 2. [GOOD TIME NOT AVAILABLE.] An offender serving a sentence on intensive community supervision for a crime committed before August 1, 1993, does not earn good time, notwithstanding section 244.04.

Sec. 8. Minnesota Statutes 1992, section 244.171, subdivision 3, is amended to read:

Subd. 3. [GOOD TIME NOT AVAILABLE.] An offender in the challenge incarceration program whose crime was committed before August 1, 1993, does not earn good time during phases I and II of the program, notwithstanding section 244.04.

Sec. 9. [EFFECTIVE DATE.]

Sections 1 to 4 are effective August 1, 1993, and apply to crimes committed on or after that date.

ARTICLE 7

MANDATORY CONDITIONAL RELEASE OF SEX OFFENDERS

Section 1. Minnesota Statutes 1992, section 609.346, subdivision 5, is amended to read:

Subd. 5. [SUPERVISED CONDITIONAL RELEASE OF SEX OFFENDERS.] (a) Notwithstanding the statutory maximum sentence otherwise applicable to the offense or any provision of the sentencing guidelines, any person who is sentenced when a court sentences a person to prison for a violation of section 609.342, 609.343, 609.344, or 609.345 must be sentenced to serve a supervised release term as provided in this subdivision. The court shall sentence a person convicted for a violation of section 609.342, 609.343, 609.344, or 609.345 to serve a supervised release term of not less than five years; the court shall sentence a provide that after the person has completed the sentence imposed, the commissioner of corrections shall place the person on conditional release. If the person was convicted for a violation of section 609.342, 609.343, 609.344, or 609.345, the person shall be placed on conditional release for five years, minus the time the person served on supervised release. If the person was convicted for a violation of one of those sections a second or subsequent time, or sentenced under subdivision 4 to a mandatory departure, to serve a supervised release term of not less than the person shall be placed on conditional release for ten years, minus the time the person served on supervised release.

(b) The commissioner of corrections shall set the level of supervision for offenders subject to this section based on the public risk presented by the

~~offender~~ The conditions of release may include successful completion of treatment and aftercare in a program approved by the commissioner, satisfaction of the release conditions specified in section 244.05, subdivision 6, and any other conditions the commissioner considers appropriate. If the offender fails to meet any condition of release, the commissioner may revoke the offender's conditional release and order that the offender serve the remaining portion of the conditional release term in prison. The commissioner shall not dismiss the offender from supervision before the conditional release term expires.

Conditional release under this subdivision is governed by provisions relating to supervised release, except as otherwise provided in this subdivision, section 244.04, subdivision 1, or 244.05.

(c) The commissioner shall pay the cost of treatment of a person released under this subdivision. This section does not require the commissioner to accept or retain an offender in a treatment program.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective August 1, 1993, and applies to crimes committed on or after that date.

ARTICLE 8

CORRECTIONS

Section 1. Minnesota Statutes 1992, section 16B.08, subdivision 7, is amended to read:

Subd. 7. [SPECIFIC PURCHASES.] (a) The following may be purchased without regard to the competitive bidding requirements of this chapter:

- (1) merchandise for resale at state park refectories or facility operations;
- (2) farm and garden products, which may be sold at the prevailing market price on the date of the sale;
- (3) meat for other state institutions from the technical college maintained at Pipestone by independent school district No. 583; and
- (4) ~~furniture~~ products and services from the Minnesota correctional facilities.

(b) Supplies, materials, equipment, and utility services for use by a community-based residential facility operated by the commissioner of human services may be purchased or rented without regard to the competitive bidding requirements of this chapter.

(c) Supplies, materials, or equipment to be used in the operation of a hospital licensed under sections 144.50 to 144.56 that are purchased under a shared service purchasing arrangement whereby more than one hospital purchases supplies, materials, or equipment with one or more other hospitals, either through one of the hospitals or through another entity, may be purchased without regard to the competitive bidding requirements of this chapter if the following conditions are met:

- (1) the hospital's governing authority authorizes the arrangement;

(2) the shared services purchasing program purchases items available from more than one source on the basis of competitive bids or competitive quotations of prices; and

(3) the arrangement authorizes the hospital's governing authority or its representatives to review the purchasing procedures to determine compliance with these requirements.

Sec. 2. Minnesota Statutes 1992, section 147.09, is amended to read:

147.09 [EXEMPTIONS.]

Section 147.081 does not apply to, control, prevent or restrict the practice, service, or activities of:

(1) A person who is a commissioned medical officer of, a member of, or employed by, the armed forces of the United States, the United States Public Health Service, the Veterans Administration, any federal institution or any federal agency while engaged in the performance of official duties within this state, if the person is licensed elsewhere.

(2) A licensed physician from a state or country who is in actual consultation here.

(3) A licensed or registered physician who treats the physician's home state patients or other participating patients while the physicians and those patients are participating together in outdoor recreation in this state as defined by section 86A.03, subdivision 3. A physician shall first register with the board on a form developed by the board for that purpose. The board shall not be required to promulgate the contents of that form by rule. No fee shall be charged for this registration.

(4) A student practicing under the direct supervision of a preceptor while the student is enrolled in and regularly attending a recognized medical school.

(5) A student who is in continuing training and performing the duties of an intern or resident or engaged in postgraduate work considered by the board to be the equivalent of an internship or residency in any hospital or institution approved for training by the board.

(6) A person employed in a scientific, sanitary, or teaching capacity by the state university, the state department of education, or by any public or private school, college, or other bona fide educational institution, or the state department of health, whose duties are entirely of a public health or educational character, while engaged in such duties.

(7) Physician's assistants registered in this state.

(8) A doctor of osteopathy duly licensed by the state board of osteopathy under Minnesota Statutes 1961, sections 148.11 to 148.16, prior to May 1, 1963, who has not been granted a license to practice medicine in accordance with this chapter provided that the doctor confines activities within the scope of the license.

(9) Any person licensed by a health related licensing board, as defined in section 214.01, subdivision 2, or registered by the commissioner of health pursuant to section 214.13, including psychological practitioners with respect to the use of hypnosis; provided that the person confines activities within the scope of the license.

(10) A person who practices ritual circumcision pursuant to the requirements or tenets of any established religion.

(11) A Christian Scientist or other person who endeavors to prevent or cure disease or suffering exclusively by mental or spiritual means or by prayer.

(12) A physician licensed to practice medicine in another state who is in this state for the sole purpose of providing medical services at a competitive athletic event. The physician may practice medicine only on participants in the athletic event. A physician shall first register with the board on a form developed by the board for that purpose. The board shall not be required to adopt the contents of the form by rule. The physician shall provide evidence satisfactory to the board of a current unrestricted license in another state. The board shall charge a fee of \$50 for the registration.

(13) A psychologist licensed under section 148.91 or a social worker licensed under section 148B.21 who uses or supervises the use of a penile or vaginal plethysmograph in assessing and treating individuals suspected of engaging in aberrant sexual behavior and sex offenders.

Sec. 3. Minnesota Statutes 1992, section 241.09, is amended to read:

241.09 [UNCLAIMED MONEY OR PERSONAL PROPERTY OF INMATES OF CORRECTIONAL FACILITIES.]

Subdivision 1. [MONEY.] When the chief executive officer of any state correctional facility under the jurisdiction of the commissioner of corrections obtains money belonging to inmates of the facility who have died, been released or escaped, and the chief executive officer knows no claimant or person entitled to it, the chief executive officer shall, if the money is unclaimed within ~~two years~~ *six months*, deposit it in the inmate social welfare fund for the benefit of the inmates of the facility. No money shall be so deposited until it has remained unclaimed for at least ~~two years~~ *six months*. If, at any time after the expiration of the ~~two years~~ *six months*, the inmate or the legal heirs appear and make proper proof of identity or heirship, the inmate or heirs are entitled to receive from the state treasurer any money belonging to the inmate and deposited in the inmate social welfare fund pursuant to this subdivision.

Subd. 2. [UNCLAIMED PERSONAL PROPERTY.] When any inmate of a state correctional facility under the jurisdiction of the commissioner of corrections has died, been released or escaped therefrom leaving in the custody of the chief executive officer thereof personal property, other than money, which remains unclaimed for a period of ~~two years~~ *90 days*, and the chief executive officer knows no person entitled to it, the chief executive officer or the chief executive officer's agent may sell or otherwise dispose of the property in the manner provided by law for the sale or disposition of state property. The proceeds of any sale, after deduction of the costs shall be deposited in the inmate social welfare fund for expenditure as provided in subdivision 1. Any inmate whose property has been sold under this subdivision, or heirs of the inmate, may file with, and make proof of ownership to, the chief executive officer of the institution who caused the sale of the property within two years after the sale, and, upon satisfactory proof to the chief executive officer, the chief executive officer shall certify to the state treasurer the amount received by the sale of such property for payment to the inmate or heirs. No suit shall be brought for damages consequent to the

disposal of personal property or use of money in accordance with this section against the state or any official, employee, or agent thereof.

Sec. 4. Minnesota Statutes 1992, section 241.67, subdivision 1, is amended to read:

Subdivision 1. [SEX OFFENDER TREATMENT.] A sex offender treatment system is established under the administration of the commissioner of corrections to provide and finance a range of sex offender treatment programs for eligible adults and juveniles. Offenders who are eligible to receive treatment, within the limits of available funding, are:

- (1) adults and juveniles committed to the custody of the commissioner;
- (2) adult offenders for whom treatment is required by the court as a condition of probation; *and*
- (3) juvenile offenders who have been found delinquent or received a stay of adjudication, for whom the juvenile court has ordered treatment; *and*
- (4) *adults and juveniles who are eligible for community-based treatment under the sex offender treatment fund established in section 241.671.*

Sec. 5. Minnesota Statutes 1992, section 241.67, subdivision 2, is amended to read:

Subd. 2. [TREATMENT PROGRAM STANDARDS.] (a) The commissioner shall adopt rules under chapter 14 for the certification of adult and juvenile sex offender treatment programs in state and local correctional facilities *and state-operated adult and juvenile sex offender treatment programs not operated in state or local correctional facilities.* The rules shall require that sex offender treatment programs be at least four months in duration. A correctional facility may not operate a sex offender treatment program unless the program has met the standards adopted by and been certified by the commissioner of corrections. As used in this subdivision, "correctional facility" has the meaning given it in section 241.021, subdivision 1, clause (5).

(b) *By July 1, 1994, the commissioner shall adopt rules under chapter 14 for the certification of community-based adult and juvenile sex offender treatment programs not operated in state or local correctional facilities.*

(c) *In addition to other certification requirements established under paragraphs paragraph (a) and (b), rules adopted by the commissioner must require all certified programs certified under this subdivision to participate in an the sex offender program ongoing outcome-based evaluation and quality management system project established by the commissioner under section 3.*

Sec. 6. Minnesota Statutes 1992, section 241.67, is amended by adding a subdivision to read:

Subd. 8. [COMMUNITY-BASED SEX OFFENDER PROGRAM EVALUATION PROJECT.] (a) *For the purposes of this project, a sex offender is an adult who has been convicted, or a juvenile who has been adjudicated, for a sex offense or a sex-related offense and has been sentenced to sex offender treatment as a condition of probation.*

(b) *The commissioner shall develop a long-term project to accomplish the following:*

(1) provide follow-up information on each sex offender for a period of three years following the offender's completion of or termination from treatment;

(2) provide treatment programs in several geographical areas in the state;

(3) provide the necessary data to form the basis to recommend a fiscally sound plan to provide a coordinated statewide system of effective sex offender treatment programming; and

(4) provide an opportunity to local and regional governments, agencies, and programs to establish models of sex offender programs that are suited to the needs of that region.

(c) The commissioner shall provide the legislature with an annual report of the data collected and the status of the project by October 15 of each year, beginning in 1993.

(d) The commissioner shall establish an advisory task force consisting of county probation officers from community corrections act counties and other counties, court services providers, and other interested officials. The commissioner shall consult with the task force concerning the establishment and operation of the project.

Sec. 7. Minnesota Statutes 1992, section 243.23, subdivision 3, is amended to read:

Subd. 3. [EXCEPTIONS.] Notwithstanding sections 241.26, subdivision 5, and 243.24, subdivision 1, the commissioner may promulgate rules for the disbursement of funds earned under subdivision 1, or other funds in an inmate account, and section 243.88, subdivision 2, for the support of families and dependent relatives of the respective inmates, for the payment of court-ordered restitution, fines, surcharges, or other fees assessed or ordered by the court, contribution to any programs established by law to aid victims of crime provided that the contribution shall not be more than 20 percent of an inmate's gross wages, for the payment of restitution to the commissioner ordered by prison disciplinary hearing officers for damage to property caused by an inmate's conduct, and for the discharge of any legal obligations arising out of litigation under this subdivision. An inmate of an adult correctional facility under the control of the commissioner is subject to actions for the enforcement of support obligations and reimbursement of any public assistance rendered the dependent family and relatives. The commissioner may conditionally release an inmate who is a party to an action under this subdivision and provide for the inmate's detention in a local detention facility convenient to the place of the hearing when the inmate is not engaged in preparation and defense.

Sec. 8. Minnesota Statutes 1992, section 244.05, is amended by adding a subdivision to read:

Subd. 8. [CONDITIONAL MEDICAL RELEASE.] *The commissioner may order that an offender be placed on conditional medical release before the offender's scheduled supervised release date or target release date if the offender suffers from a serious illness or chronic medical condition and the release poses no threat to the public. In making the decision to release an offender on this status, the commissioner must consider the offender's age and medical condition, the health care needs of the offender, the offender's custody classification and level of risk of violence, the appropriate level of community supervision, and alternative placements that may be available for the*

offender. An inmate may not be released under this provision unless the commissioner has determined that the inmate's health costs will be borne by medical assistance, Medicaid, general assistance medical care, veteran's benefits, or by any other federal or state medical assistance programs or by the inmate. Conditional medical release is governed by provisions relating to supervised release except that it may be rescinded without hearing by the commissioner if the offender's medical condition improves to the extent that the continuation of the conditional medical release presents a more serious risk to the public.

Sec. 9. Minnesota Statutes 1992, section 244.17, subdivision 3, is amended to read:

Subd. 3. [OFFENDERS NOT ELIGIBLE.] The following offenders are not eligible to be placed in the challenge incarceration program:

(1) offenders who are committed to the commissioner's custody following a conviction for murder, manslaughter, criminal sexual conduct, assault, kidnapping, robbery, arson, or any other offense involving death or *intentional* personal injury; and

(2) offenders who ~~previously~~ were convicted *within the preceding ten years* of an offense described in clause (1) and were committed to the custody of the commissioner.

Sec. 10. Minnesota Statutes 1992, section 244.172, subdivision 1, is amended to read:

Subdivision 1. [PHASE I.] Phase I of the program lasts at least six months. The offender must be confined in a state correctional facility designated by the commissioner and must successfully participate in all intensive treatment, education and work programs required by the commissioner. The offender must also submit on demand to random drug and alcohol testing at time intervals set by the commissioner. ~~For the first three months of phase I, the offender may not receive visitors or telephone calls, except under emergency circumstances. Throughout phase I, the commissioner must severely restrict the offender's telephone and visitor privileges.~~

Sec. 11. Minnesota Statutes 1992, section 244.172, subdivision 2, is amended to read:

Subd. 2. [PHASE II.] Phase II of the program lasts at least six months. The offender shall serve this phase of the offender's sentence in an intensive supervision and surveillance program established by the commissioner. The commissioner may impose such requirements on the offender as are necessary to carry out the goals of the program. *Throughout phase II, the offender must be required to submit to daily drug and alcohol tests for the first three months; biweekly tests for the next two months; and weekly tests for the remainder of phase II randomly or for cause, on demand of the supervising agent.* The commissioner shall also require the offender to report daily to a day-reporting facility designated by the commissioner. In addition, if the commissioner required the offender to undergo acupuncture during phase I, the offender ~~must continue to submit to acupuncture treatment throughout phase II, on demand of the supervising agent.~~

Sec. 12. Minnesota Statutes 1992, section 260.185, subdivision 1, is amended to read:

Subdivision 1. If the court finds that the child is delinquent, it shall enter an order making any of the following dispositions of the case which are deemed necessary to the rehabilitation of the child:

(a) Counsel the child or the parents, guardian, or custodian;

(b) Place the child under the supervision of a probation officer or other suitable person in the child's own home under conditions prescribed by the court including reasonable rules for the child's conduct and the conduct of the child's parents, guardian, or custodian, designed for the physical, mental, and moral well-being and behavior of the child, or with the consent of the commissioner of corrections, in a group foster care facility which is under the management and supervision of said commissioner;

(c) Subject to the supervision of the court, transfer legal custody of the child to one of the following:

(1) a child placing agency; or

(2) the county welfare board; or

(3) a reputable individual of good moral character. No person may receive custody of two or more unrelated children unless licensed as a residential facility pursuant to sections 245A.01 to 245A.16; or

(4) a county home school, if the county maintains a home school or enters into an agreement with a county home school; or

(5) a county probation officer for placement in a group foster home established under the direction of the juvenile court and licensed pursuant to section 241.021;

(d) Transfer legal custody by commitment to the commissioner of corrections;

(e) If the child is found to have violated a state or local law or ordinance which has resulted in damage to the person or property of another, the court may order the child to make reasonable restitution for such damage;

(f) Require the child to pay a fine of up to \$700; the court shall order payment of the fine in accordance with a time payment schedule which shall not impose an undue financial hardship on the child;

(g) If the child is in need of special treatment and care for reasons of physical or mental health, the court may order the child's parent, guardian, or custodian to provide it. If the parent, guardian, or custodian fails to provide this treatment or care, the court may order it provided;

(h) If the court believes that it is in the best interests of the child and of public safety that the driver's license of the child be canceled until the child's 18th birthday, the court may recommend to the commissioner of public safety the cancellation of the child's license for any period up to the child's 18th birthday, and the commissioner is hereby authorized to cancel such license without a hearing. At any time before the termination of the period of cancellation, the court may, for good cause, recommend to the commissioner of public safety that the child be authorized to apply for a new license, and the commissioner may so authorize.

If the child is petitioned and found by the court to have committed or attempted to commit an act in violation of section 609.342; 609.343; 609.344;

609.345; 609.3451; 609.746, subdivision 1; 609.79; or 617.23, or another offense arising out of a delinquency petition based on one or more of those sections, the court shall order an independent professional assessment of the child's need for sex offender treatment. An assessor providing an assessment for the court ~~may not have any direct or shared financial interest or referral relationship resulting in shared financial gain with a treatment provider~~ *must be experienced in the evaluation and treatment of juvenile sex offenders*. If the assessment indicates that the child is in need of and amenable to sex offender treatment, the court shall include in its disposition order a requirement that the child undergo treatment. Notwithstanding section 13.42, 13.85, 144.335, 260.161, or 626.556, the assessor has access to the following private or confidential data on the child if access is relevant and necessary for the assessment:

- (1) medical data under section 13.42;
- (2) corrections and detention data under section 13.85;
- (3) health records under section 144.335;
- (4) juvenile court records under section 260.161; and
- (5) local welfare agency records under section 626.556.

Data disclosed under this paragraph may be used only for purposes of the assessment and may not be further disclosed to any other person, except as authorized by law.

If the child is found delinquent due to the commission of an offense that would be a felony if committed by an adult, the court shall make a specific finding on the record regarding the juvenile's mental health and chemical dependency treatment needs.

Any order for a disposition authorized under this section shall contain written findings of fact to support the disposition ordered, and shall also set forth in writing the following information:

- (a) why the best interests of the child are served by the disposition ordered; and
- (b) what alternative dispositions were considered by the court and why such dispositions were not appropriate in the instant case.

Sec. 13. Minnesota Statutes 1992, section 541.15, is amended to read:

541.15 [PERIODS OF DISABILITY NOT COUNTED.]

(a) Except as provided in paragraph (b), any of the following grounds of disability, existing at the time when a cause of action accrued or arising anytime during the period of limitation, shall suspend the running of the period of limitation until the same is removed; provided that such period, except in the case of infancy, shall not be extended for more than five years, nor in any case for more than one year after the disability ceases:

- (1) That the plaintiff is within the age of 18 years;
- (2) The plaintiff's insanity;
- (3) ~~The plaintiff's imprisonment on a criminal charge, or under a sentence of a criminal court for a term less than the plaintiff's natural life;~~

(4) Is an alien and the subject or citizen of a country at war with the United States;

(5) (4) When the beginning of the action is stayed by injunction or by statutory prohibition.

If two or more disabilities shall coexist, the suspension shall continue until all are removed.

(b) In actions alleging malpractice, error, mistake, or failure to cure, whether based on contract or tort, against a health care provider, the ground of disability specified in paragraph (a), clause (1), suspends the period of limitation until the disability is removed. The suspension may not be extended for more than seven years, or for more than one year after the disability ceases.

For purposes of this paragraph, health care provider means a physician, surgeon, dentist, or other health care professional or hospital, including all persons or entities providing health care as defined in section 145.61, subdivisions 2 and 4, or a certified health care professional employed by or providing services as an independent contractor in a hospital.

Sec. 14. Minnesota Statutes 1992, section 611A.06, subdivision 1, is amended to read:

Subdivision 1. [NOTICE OF RELEASE REQUIRED.] The commissioner of corrections or other custodial authority shall make a good faith effort to notify the victim that the offender is to be released from imprisonment or incarceration, including release on extended furlough and for work release; released from a juvenile correctional facility; released from a facility in which the offender was confined due to incompetency, mental illness, or mental deficiency, or commitment under section 253B.18; or transferred ~~from one correctional facility to another when the correctional program involves less security to a minimum security setting~~, if the victim has mailed to the commissioner of corrections or to the head of the facility in which the offender is confined a written request for this notice. The good faith effort to notify the victim must occur prior to the release, transfer, or change in security status. For a victim of a felony crime against the person for which the offender was sentenced to a term of imprisonment of more than 18 months, the good faith effort to notify the victim must occur 60 days before the offender's release, transfer, or change ~~in security status to minimum security status~~.

Sec. 15. Minnesota Statutes 1992, section 624.712, subdivision 5, is amended to read:

Subd. 5. "Crime of violence" includes murder in the first, second, and third degrees, manslaughter in the first and second degrees, aiding suicide, aiding attempted suicide, felony violations of assault in the first, second, third, and fourth degrees, terroristic threats, use of drugs to injure or to facilitate crime, simple robbery, aggravated robbery, kidnapping, false imprisonment, criminal sexual conduct in the first, second, third, and fourth degrees, felonious theft, arson in the first and second degrees, riot, burglary in the first, second, third, and fourth degrees, reckless use of a gun or dangerous weapon, intentionally pointing a gun at or towards a human being, setting a spring gun, and unlawfully owning, possessing, ~~or~~ operating a machine gun ~~or sawed-off shotgun~~, and an attempt to commit any of these

offenses, as each of those offenses is defined in chapter 609. "Crime of violence" also includes felony violations of chapter 152.

Sec. 16. Minnesota Statutes 1992, section 631.41, is amended to read:

631.41 [REQUIRING THE COURT ADMINISTRATOR TO DELIVER TRANSCRIPT OF MINUTES OF SENTENCE TO SHERIFF.]

When a person convicted of an offense is sentenced to pay a fine or costs, or to be imprisoned in the county jail, or *sentenced to the Minnesota correctional facility Stillwater* department of corrections, the court administrator shall, as soon as possible, make out and deliver to the sheriff or a deputy a transcript from the minutes of the court of the conviction and sentence. A duly certified transcript is sufficient authority for the sheriff to execute the sentence. Upon receiving the transcript, the sheriff shall execute the sentence.

Sec. 17. Laws 1991, chapter 292, article 1, section 16, is amended to read:

Sec. 16. The department of human rights may not be charged by the attorney general for legal representation on behalf of complaining parties who have filed a charge of discrimination with the department. *The department of corrections may not be charged by the attorney general for legal representation in civil actions brought by offenders alleging civil rights violations. This provision is effective retroactive to July 1, 1989, as to the department of human rights and retroactive to July 1, 1992, as to the department of corrections.* The department of human rights does not have an obligation to pay for any services rendered by the attorney general since July 1, 1985, in excess of the amounts already paid for those services *and the department of corrections does not have an obligation to pay for any services rendered since July 1, 1992, in excess of the amounts already paid for those services.*

Sec. 18. [TRANSFER.]

Positions classified as sentencing to service crew leader and one sentencing to service supervisor in the department of natural resources are transferred to the Minnesota department of corrections under Minnesota Statutes, section 15.039. Nothing in this section is intended to abrogate or modify any rights now enjoyed by affected employees under terms of an agreement between an exclusive bargaining representative and the state or one of its appointing authorities.

Sec. 19. [REPEALER.]

Minnesota Statutes 1992, sections 241.25; 241.67, subdivision 5; and 241.671, are repealed.

ARTICLE 9

TECHNICAL CORRECTIONS

Section 1. Minnesota Statutes 1992, section 144A.04, subdivision 4, is amended to read:

Subd. 4. [CONTROLLING PERSON RESTRICTIONS.] (a) The controlling persons of a nursing home may not include any person who was a controlling person of another nursing home during any period of time in the previous two-year period:

(1) during which time of control that other nursing home incurred the following number of uncorrected or repeated violations:

(i) two or more uncorrected violations or one or more repeated violations which created an imminent risk to direct resident care or safety; or

(ii) four or more uncorrected violations or two or more repeated violations of any nature for which the fines are in the four highest daily fine categories prescribed in rule; or

(2) who was convicted of a felony or gross misdemeanor ~~punishable by a term of imprisonment of more than 90 days~~ that relates to operation of the nursing home or directly affects resident safety or care, during that period.

(b) The provisions of this subdivision shall not apply to any controlling person who had no legal authority to affect or change decisions related to the operation of the nursing home which incurred the uncorrected violations.

Sec. 2. Minnesota Statutes 1992, section 144A.04, subdivision 6, is amended to read:

Subd. 6. [MANAGERIAL EMPLOYEE OR LICENSED ADMINISTRATOR; EMPLOYMENT PROHIBITIONS.] A nursing home may not employ as a managerial employee or as its licensed administrator any person who was a managerial employee or the licensed administrator of another facility during any period of time in the previous two-year period:

(a) During which time of employment that other nursing home incurred the following number of uncorrected violations which were in the jurisdiction and control of the managerial employee or the administrator:

(1) two or more uncorrected violations or one or more repeated violations which created an imminent risk to direct resident care or safety; or

(2) four or more uncorrected violations or two or more repeated violations of any nature for which the fines are in the four highest daily fine categories prescribed in rule; or

(b) who was convicted of a felony or gross misdemeanor ~~punishable by a term of imprisonment of more than 90 days~~ that relates to operation of the nursing home or directly affects resident safety or care, during that period.

Sec. 3. Minnesota Statutes 1992, section 144A.11, subdivision 3a, is amended to read:

Subd. 3a. [MANDATORY REVOCATION.] Notwithstanding the provisions of subdivision 3, the commissioner shall revoke a nursing home license if a controlling person is convicted of a felony or gross misdemeanor ~~punishable by a term of imprisonment of more than 90 days~~ that relates to operation of the nursing home or directly affects resident safety or care. The commissioner shall notify the nursing home 30 days in advance of the date of revocation.

Sec. 4. Minnesota Statutes 1992, section 144B.08, subdivision 3, is amended to read:

Subd. 3. [MANDATORY REVOCATION OR REFUSAL TO ISSUE A LICENSE.] Notwithstanding subdivision 2, the commissioner shall revoke or refuse to issue a residential care home license if the applicant, licensee, or manager of the licensed home is convicted of a felony or gross misdemeanor

that is punishable by a term of imprisonment of not more than 90 days and that relates to operation of the residential care home or directly affects resident safety or care. The commissioner shall notify the residential care home 30 days before the date of revocation.

Sec. 5. Minnesota Statutes 1992, section 152.021, subdivision 3, is amended to read:

Subd. 3. [PENALTY.] (a) A person convicted under subdivision 1 or 2 may be sentenced to imprisonment for not more than 30 years or to payment of a fine of not more than \$1,000,000, or both.

(b) If the conviction is a subsequent controlled substance conviction, a person convicted under subdivision 1 or 2 shall be sentenced to imprisonment committed to the commissioner of corrections for not less than four years nor more than 40 years or to payment of a fine of not more than \$1,000,000, or both.

(c) In a prosecution under subdivision 1 involving sales by the same person in two or more counties within a 90-day period, the person may be prosecuted for all of the sales in any county in which one of the sales occurred.

Sec. 6. Minnesota Statutes 1992, section 152.022, subdivision 3, is amended to read:

Subd. 3. [PENALTY.] (a) A person convicted under subdivision 1 or 2 may be sentenced to imprisonment for not more than 25 years or to payment of a fine of not more than \$500,000, or both.

(b) If the conviction is a subsequent controlled substance conviction, a person convicted under subdivision 1 or 2 shall be sentenced to imprisonment committed to the commissioner of corrections for not less than three years nor more than 40 years or to payment of a fine of not more than \$500,000, or both.

(c) In a prosecution under subdivision 1 involving sales by the same person in two or more counties within a 90-day period, the person may be prosecuted for all of the sales in any county in which one of the sales occurred.

Sec. 7. Minnesota Statutes 1992, section 152.023, subdivision 3, is amended to read:

Subd. 3. [PENALTY.] (a) A person convicted under subdivision 1 or 2 may be sentenced to imprisonment for not more than 20 years or to payment of a fine of not more than \$250,000, or both.

(b) If the conviction is a subsequent controlled substance conviction, a person convicted under subdivision 1 or 2 shall be sentenced to imprisonment committed to the commissioner of corrections for not less than two years nor more than 30 years or to payment of a fine of not more than \$250,000, or both.

Sec. 8. Minnesota Statutes 1992, section 152.024, subdivision 3, is amended to read:

Subd. 3. [PENALTY.] (a) A person convicted under subdivision 1 or 2 may be sentenced to imprisonment for not more than 15 years or to payment of a fine of not more than \$100,000, or both.

(b) If the conviction is a subsequent controlled substance conviction, a person convicted under subdivision 1 or 2 shall be ~~sentenced to imprisonment~~ *committed to the commissioner of corrections or to a local correctional authority* for not less than one year nor more than 30 years or to payment of a fine of not more than \$100,000, or both.

Sec. 9. Minnesota Statutes 1992, section 152.025, subdivision 3, is amended to read:

Subd. 3. [PENALTY.] (a) A person convicted under subdivision 1 or 2 may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both.

(b) If the conviction is a subsequent controlled substance conviction, a person convicted under subdivision 1 or 2 shall be ~~sentenced to imprisonment~~ *committed to the commissioner of corrections or to a local correctional authority* for not less than six months nor more than ten years or to payment of a fine of not more than \$20,000, or both.

Sec. 10. Minnesota Statutes 1992, section 152.026, is amended to read:

152.026 [MANDATORY SENTENCES.]

A defendant convicted and sentenced to a mandatory sentence under sections 152.021 to 152.025 is not eligible for probation, parole, discharge, or supervised release until that person has served the full ~~mandatory minimum~~ term of imprisonment as provided by law, notwithstanding sections 242.19, 243.05, 609.12, and 609.135. *"Term of imprisonment" has the meaning given in section 244.01, subdivision 8.*

Sec. 11. Minnesota Statutes 1992, section 152.18, subdivision 1, is amended to read:

Subdivision 1. If any person is found guilty of a violation of section 152.024, 152.025, or 152.027 for possession of a controlled substance, after trial or upon a plea of guilty, the court may, without entering a judgment of guilty and with the consent of the person, defer further proceedings and place the person on probation upon such reasonable conditions as it may require and for a period, not to exceed the maximum ~~term of imprisonment~~ sentence provided for the violation. The court may give the person the opportunity to attend and participate in an appropriate program of education regarding the nature and effects of alcohol and drug abuse as a stipulation of probation. Upon violation of a condition of the probation, the court may enter an adjudication of guilt and proceed as otherwise provided. The court may, in its discretion, dismiss the proceedings against the person and discharge the person from probation before the expiration of the maximum period prescribed for the person's probation. If during the period of probation the person does not violate any of the conditions of the probation, then upon expiration of the period the court shall discharge the person and dismiss the proceedings against that person. Discharge and dismissal under this subdivision shall be without court adjudication of guilt, but a not public record of it shall be retained by the department of public safety for the purpose of use by the courts in determining the merits of subsequent proceedings against the person. The not public record may also be opened only upon court order for purposes of a criminal investigation, prosecution, or sentencing. Upon request by law enforcement, prosecution, or corrections authorities, the department shall notify the requesting party of the existence of the not public record and the

right to seek a court order to open it pursuant to this section. The court shall forward a record of any discharge and dismissal under this subdivision to the department of public safety who shall make and maintain the not public record of it as provided under this subdivision. The discharge or dismissal shall not be deemed a conviction for purposes of disqualifications or disabilities imposed by law upon conviction of a crime or for any other purpose.

For purposes of this subdivision, "not public" has the meaning given in section 13.02, subdivision 8a.

Sec. 12. Minnesota Statutes 1992, section 169.121, subdivision 3a, is amended to read:

Subd. 3a. [HABITUAL OFFENDER PENALTIES.] (a) If a person has been convicted under this section, section 169.129, an ordinance in conformity with either of them, or a statute or ordinance from another state in conformity with either of them, and if the person is then convicted of a gross misdemeanor violation of this section, a violation of section 169.129, or an ordinance in conformity with either of them (1) once within five years after the first conviction or (2) two or more times within ten years after the first conviction, the person must be sentenced to a minimum of 30 days imprisonment or to eight hours of community work service for each day less than 30 days that the person is ordered to serve in jail. Provided, that if a person is convicted of violating this section, section 169.129, or an ordinance in conformity with either of them two or more times within five years after the first conviction, or within five years after the first of two or more license revocations, as defined in subdivision 3, paragraph (a), clause (2), the person must be sentenced to a minimum of 30 days imprisonment and the sentence may not be waived under paragraph (b) or (c). Notwithstanding section 609.135, the above sentence must be executed, unless the court departs from the mandatory minimum sentence under paragraph (b) or (c).

(b) Prior to sentencing the prosecutor may file a motion to have the defendant sentenced without regard to the mandatory minimum sentence established by this subdivision. The motion must be accompanied by a statement on the record of the reasons for it. When presented with the prosecutor's motion and if it finds that substantial mitigating factors exist, the court shall sentence the defendant without regard to the mandatory minimum ~~term of imprisonment sentence~~ established by this subdivision.

(c) The court may, on its own motion, sentence the defendant without regard to the mandatory minimum ~~term of imprisonment sentence~~ established by this subdivision if it finds that substantial mitigating factors exist and if its sentencing departure is accompanied by a statement on the record of the reasons for it.

(d) The court may sentence the defendant without regard to the mandatory minimum ~~term of imprisonment sentence~~ established by this subdivision if the defendant is sentenced to probation and ordered to participate in a program established under section 169.1265.

(e) When any portion of the sentence required by this subdivision is not executed, the court should impose a sentence that is proportional to the extent of the offender's prior criminal and moving traffic violation record.

Sec. 13. Minnesota Statutes 1992, section 238.16, subdivision 2, is amended to read:

Subd. 2. [GROSS MISDEMEANOR.] Any person violating the provisions of this chapter is guilty of a gross misdemeanor. Any ~~term of imprisonment~~ sentence imposed for any violation by a corporation shall be served by the senior resident officer of the corporation.

Sec. 14. Minnesota Statutes 1992, section 244.065, is amended to read:

244.065 [PRIVATE EMPLOYMENT OF INMATES OF STATE CORRECTIONAL INSTITUTIONS IN COMMUNITY.]

When consistent with the public interest and the public safety, the commissioner of corrections may conditionally release an inmate to work at paid employment, seek employment, or participate in a vocational training or educational program, as provided in section 241.26, if the inmate has served at least one half of the term of imprisonment as ~~reduced by good time earned by the inmate.~~

Sec. 15. Minnesota Statutes 1992, section 244.14, subdivision 3, is amended to read:

Subd. 3. [SANCTIONS.] The commissioner shall impose severe and meaningful sanctions for violating the conditions of an intensive community supervision program. The commissioner shall provide for revocation of intensive community supervision of an offender who:

(1) commits a material violation of or repeatedly fails to follow the rules of the program;

(2) commits any misdemeanor, gross misdemeanor, or felony offense; or

(3) presents a risk to the public, based on the offender's behavior, attitude, or abuse of alcohol or controlled substances. The revocation of intensive community supervision is governed by the procedures in the commissioner's rules adopted under section 244.05, subdivision 2.

An offender whose intensive community supervision is revoked shall be imprisoned for a time period equal to the offender's ~~original~~ term of imprisonment, but in no case for longer than the time remaining in the offender's sentence. "~~Original~~ Term of imprisonment" means a time period equal to two-thirds of the sentence originally executed by the sentencing court, minus jail credit, if any.

Sec. 16. Minnesota Statutes 1992, section 244.15, subdivision 1, is amended to read:

Subdivision 1. [DURATION.] Phase I of an intensive community supervision program is six months, or one-half the time remaining in the offender's ~~original~~ term of imprisonment, whichever is less. Phase II lasts for at least one-third of the time remaining in the offender's ~~original~~ term of imprisonment at the beginning of Phase II. Phase III lasts for at least one-third of the time remaining in the offender's ~~original~~ term of imprisonment at the beginning of Phase III. Phase IV continues until the commissioner determines that the offender has successfully completed the program or until the offender's sentence, minus jail credit, expires, whichever occurs first. If an offender successfully completes the intensive community supervision program before the offender's sentence expires, the offender shall be placed on supervised release for the remainder of the sentence.

Sec. 17. Minnesota Statutes 1992, section 244.171, subdivision 4, is amended to read:

Subd. 4. [SANCTIONS.] The commissioner shall impose severe and meaningful sanctions for violating the conditions of the challenge incarceration program. The commissioner shall remove an offender from the challenge incarceration program if the offender:

(1) commits a material violation of or repeatedly fails to follow the rules of the program;

(2) commits any misdemeanor, gross misdemeanor, or felony offense; or

(3) presents a risk to the public, based on the offender's behavior, attitude, or abuse of alcohol or controlled substances. The removal of an offender from the challenge incarceration program is governed by the procedures in the commissioner's rules adopted under section 244.05, subdivision 2.

An offender who is removed from the challenge incarceration program shall be imprisoned for a time period equal to the offender's original term of imprisonment, minus earned good time if any, but in no case for longer than the time remaining in the offender's sentence. "Original Term of imprisonment" means a time period equal to two-thirds of the sentence originally executed by the sentencing court, minus jail credit, if any.

Sec. 18. Minnesota Statutes 1992, section 299A.35, subdivision 2, is amended to read:

Subd. 2. [GRANT PROCEDURE.] A local unit of government or a nonprofit community-based entity may apply for a grant by submitting an application with the commissioner. The applicant shall specify the following in its application:

(1) a description of each program for which funding is sought;

(2) the amount of funding to be provided to the program;

(3) the geographical area to be served by the program; and

(4) statistical information as to the number of arrests in the geographical area for violent crimes and for crimes involving schedule I and II controlled substances. "Violent crime" includes a violation of or an attempt or conspiracy to violate any of the following laws: sections 609.185; 609.19; 609.195; 609.20; 609.205; 609.21; 609.221; 609.222; 609.223; 609.228; 609.235; 609.24; 609.245; 609.25; 609.255; 609.2661; 609.2662; 609.2663; 609.2664; 609.2665; 609.267; 609.2671; 609.268; 609.342; 609.343; 609.344; 609.345; 609.498, subdivision 1; 609.561; 609.562; 609.582, subdivision 1; 609.687; or any provision of chapter 152 that is punishable by a maximum term of imprisonment sentence greater than ten years.

The commissioner shall give priority to funding programs in the geographical areas that have the highest crime rates, as measured by the data supplied under clause (4), and that demonstrate substantial involvement by members of the community served by the program. The maximum amount that may be awarded to an applicant is \$50,000.

Sec. 19. Minnesota Statutes 1992, section 609.0341, subdivision 1, is amended to read:

Subdivision 1. [GROSS MISDEMEANORS.] Any law of this state which provides for a maximum fine of \$1,000 or for a maximum ~~term~~ sentence of imprisonment of one year or which is defined as a gross misdemeanor shall, on or after August 1, 1983, be deemed to provide for a maximum fine of \$3,000 and for a maximum ~~term~~ sentence of imprisonment of one year.

Sec. 20. Minnesota Statutes 1992, section 609.101, subdivision 2, is amended to read:

Subd. 2. [MINIMUM FINES.] Notwithstanding any other law:

(1) when a court sentences a person convicted of violating section 609.221, 609.267, or 609.342, it must impose a fine of not less than \$500 nor more than the maximum fine authorized by law;

(2) when a court sentences a person convicted of violating section 609.222, 609.223, 609.2671, 609.343, 609.344, or 609.345, it must impose a fine of not less than \$300 nor more than the maximum fine authorized by law; and

(3) when a court sentences a person convicted of violating section 609.2231, 609.224, or 609.2672, it must impose a fine of not less than \$100 nor more than the maximum fine authorized by law.

The court may not waive payment of the fine or authorize payment of it in installments unless the court makes written findings on the record that the convicted person is indigent or that the fine would create undue hardship for the convicted person or that person's immediate family.

The court shall collect the portion of the fine mandated by this subdivision and forward 70 percent of it to a local victim assistance program that provides services locally in the county in which the crime was committed. The court shall forward the remaining 30 percent to the commissioner of finance to be credited to the general fund. If more than one victim assistance program serves the county in which the crime was committed, the court may designate on a case-by-case basis which program will receive the fine proceeds, giving consideration to the nature of the crime committed, the types of victims served by the program, and the funding needs of the program. If no victim assistance program serves that county, the court shall forward 100 percent of the fine proceeds to the commissioner of finance to be credited to the general fund. Fine proceeds received by a local victim assistance program must be used to provide direct services to crime victims.

The minimum fine required by this subdivision is in addition to the surcharge or assessment required by subdivision 1 and is in addition to any ~~term~~ sentence of imprisonment or restitution imposed or ordered by the court.

As used in this subdivision, "victim assistance program" means victim witness programs within county attorney offices or any of the following programs: crime victim crisis centers, victim-witness programs, battered women shelters and nonshelter programs, and sexual assault programs.

Sec. 21. Minnesota Statutes 1992, section 609.101, subdivision 3, is amended to read:

Subd. 3. [CONTROLLED SUBSTANCE OFFENSES; MINIMUM FINES.] (a) Notwithstanding any other law, when a court sentences a person convicted of:

(1) a first degree controlled substance crime under section 152.021, it must impose a fine of not less than \$2,500 nor more than the maximum fine authorized by law;

(2) a second degree controlled substance crime under section 152.022, it must impose a fine of not less than \$1,000 nor more than the maximum fine authorized by law;

(3) a third degree controlled substance crime under section 152.023, it must impose a fine of not less than \$750 nor more than the maximum fine authorized by law;

(4) a fourth degree controlled substance crime under section 152.024, it must impose a fine of not less than \$500 nor more than the maximum fine authorized by law; and

(5) a fifth degree controlled substance violation under section 152.025, it must impose a fine of not less than \$300 nor more than the maximum fine authorized by law.

(b) The court may not waive payment of the fine or authorize payment of it in installments unless the court makes written findings on the record that the convicted person is indigent or that the fine would create undue hardship for the convicted person or that person's immediate family.

(c) The minimum fine required by this subdivision is in addition to the surcharge or assessment required by subdivision 1 and is in addition to any ~~term~~ sentence of imprisonment or restitution imposed or ordered by the court.

(d) The court shall collect the fine mandated by this subdivision and forward 70 percent of it to a local drug abuse prevention program existing or being implemented in the county in which the crime was committed. The court shall forward the remaining 30 percent to the state treasurer to be credited to the general fund. If more than one drug abuse prevention program serves the county in which the crime was committed, the court may designate on a case-by-case basis which program will receive the fine proceeds, giving consideration to the community in which the crime was committed; the funding needs of the program, the number of peace officers in each community certified to teach the program, and the number of children served by the program in each community. If no drug abuse prevention program serves communities in that county, the court shall forward 100 percent of the fine proceeds to the state treasurer to be credited to the general fund.

(e) The minimum fines required by this subdivision shall be collected as are other fines. Fine proceeds received by a local drug abuse prevention program must be used to support that program, and may be used for salaries of peace officers certified to teach the program. The drug abuse resistance education program must report receipt and use of money generated under this subdivision as prescribed by the drug abuse resistance education advisory council.

(f) As used in this subdivision, "drug abuse prevention program" and "program" include:

(1) the drug abuse resistance education program described in sections 299A.33 and 299A.331; and

(2) any similar drug abuse education and prevention program that includes the following components:

(A) instruction for students enrolled in kindergarten through grade six that is designed to teach students to recognize and resist pressures to experiment with controlled substances and alcohol;

(B) provisions for parental involvement;

(C) classroom instruction by uniformed law enforcement personnel;

(D) the use of positive student leaders to influence younger students not to use drugs; and

(E) an emphasis on activity-oriented techniques designed to encourage student-generated responses to problem-solving situations.

Sec. 22. Minnesota Statutes 1992, section 609.101, subdivision 4, is amended to read:

Subd. 4. [MINIMUM FINES; OTHER CRIMES.] Notwithstanding any other law:

(1) when a court sentences a person convicted of a felony that is not listed in subdivision 2 or 3, it must impose a fine of not less than 20 percent of the maximum fine authorized by law nor more than the maximum fine authorized by law; and

(2) when a court sentences a person convicted of a gross misdemeanor or misdemeanor that is not listed in subdivision 2, it must impose a fine of not less than 20 percent of the maximum fine authorized by law nor more than the maximum fine authorized by law.

The court may not waive payment of the minimum fine or authorize payment of it in installments unless the court makes written findings on the record that the convicted person is indigent or that the fine would create undue hardship for the convicted person or that person's immediate family.

The minimum fine required by this subdivision is in addition to the surcharge or assessment required by subdivision 1 and is in addition to any ~~term~~ sentence of imprisonment or restitution imposed or ordered by the court.

Sec. 23. Minnesota Statutes 1992, section 609.11, is amended to read:

609.11 [MINIMUM ~~TERMS~~ SENTENCES OF IMPRISONMENT.]

Subdivision 1. [COMMITMENTS WITHOUT MINIMUMS.] All commitments to the commissioner of corrections for imprisonment of the defendant are without minimum terms except when the sentence is to life imprisonment as required by law and except as otherwise provided in this chapter.

Subd. 4. [DANGEROUS WEAPON.] Any defendant convicted of an offense listed in subdivision 9 in which the defendant or an accomplice, at the time of the offense, used, whether by brandishing, displaying, threatening with, or otherwise employing, a dangerous weapon other than a firearm, or had in possession a firearm, shall be committed to the commissioner of corrections for a ~~mandatory minimum term of imprisonment~~ of not less than one year plus one day, nor more than the maximum sentence provided by law. Any defendant convicted of a second or subsequent offense in which the defendant or an accomplice, at the time of the offense, used a dangerous weapon other than a firearm, or had in possession a firearm, shall be committed to the commissioner of corrections for a ~~mandatory minimum term~~

of imprisonment of not less than three years nor more than the maximum sentence provided by law.

Subd. 5. [FIREARM.] Any defendant convicted of an offense listed in subdivision 9 in which the defendant or an accomplice, at the time of the offense, used, whether by brandishing, displaying, threatening with, or otherwise employing, a firearm, shall be committed to the commissioner of corrections for a ~~mandatory minimum term of imprisonment~~ of not less than three years, nor more than the maximum sentence provided by law. Any defendant convicted of a second or subsequent offense in which the defendant or an accomplice, at the time of the offense, used a firearm shall be committed to the commissioner of corrections for a ~~mandatory minimum term of imprisonment~~ of not less than five years, nor more than the maximum sentence provided by law.

Subd. 5a. [DRUG OFFENSES.] Notwithstanding section 609.035, whenever a defendant is subject to a mandatory minimum ~~term of imprisonment sentence~~ for a felony violation of chapter 152 and is also subject to this section, the minimum ~~term of imprisonment sentence~~ imposed under this section shall be consecutive to that imposed under chapter 152.

Subd. 6. [NO EARLY RELEASE.] Any defendant convicted and sentenced as required by this section is not eligible for probation, parole, discharge, or supervised release until that person has served the full ~~mandatory minimum term of imprisonment~~ as provided by law, notwithstanding the provisions of sections 242.19, 243.05, 244.04, 609.12 and 609.135.

Subd. 7. [PROSECUTOR SHALL ESTABLISH.] Whenever reasonable grounds exist to believe that the defendant or an accomplice used a firearm or other dangerous weapon or had in possession a firearm, at the time of commission of an offense listed in subdivision 9, the prosecutor shall, at the time of trial or at the plea of guilty, present on the record all evidence tending to establish that fact unless it is otherwise admitted on the record. The question of whether the defendant or an accomplice, at the time of commission of an offense listed in subdivision 9, used a firearm or other dangerous weapon or had in possession a firearm shall be determined by the court on the record at the time of a verdict or finding of guilt at trial or the entry of a plea of guilty based upon the record of the trial or the plea of guilty. The court shall determine on the record at the time of sentencing whether the defendant has been convicted of a second or subsequent offense in which the defendant or an accomplice, at the time of commission of an offense listed in subdivision 9, used a firearm or other dangerous weapon or had in possession a firearm.

Subd. 8. [MOTION BY PROSECUTOR.] Prior to the time of sentencing, the prosecutor may file a motion to have the defendant sentenced without regard to the mandatory minimum ~~terms of imprisonment sentences~~ established by this section. The motion shall be accompanied by a statement on the record of the reasons for it. When presented with the motion and if it finds substantial mitigating factors exist, the court shall sentence the defendant without regard to the mandatory minimum ~~terms of imprisonment sentences~~ established by this section.

Subd. 9. [APPLICABLE OFFENSES.] The crimes for which mandatory minimum sentences shall be served ~~before eligibility for probation, parole, or supervised release~~ as provided in this section are: murder in the first, second, or third degree; assault in the first, second, or third degree; burglary; kidnapping; false imprisonment; manslaughter in the first or second degree;

aggravated robbery; simple robbery; criminal sexual conduct under the circumstances described in sections 609.342, subdivision 1, clauses (a) to (f); 609.343, subdivision 1, clauses (a) to (f); and 609.344, subdivision 1, clauses (a) to (e) and (h) to (j); escape from custody; arson in the first, second, or third degree; a felony violation of chapter 152; or any attempt to commit any of these offenses.

Sec. 24. Minnesota Statutes 1992, section 609.135, subdivision 1, is amended to read:

Subdivision 1. [TERMS AND CONDITIONS.] Except when a sentence of life imprisonment is required by law, or when a mandatory minimum ~~term of imprisonment~~ sentence is required by section 609.11, any court may stay imposition or execution of sentence and (a) may order intermediate sanctions without placing the defendant on probation, or (b) may place the defendant on probation with or without supervision and on the terms the court prescribes, including intermediate sanctions when practicable. The court may order the supervision to be under the probation officer of the court, or, if there is none and the conviction is for a felony or gross misdemeanor, by the commissioner of corrections, or in any case by some other suitable and consenting person. No intermediate sanction may be ordered performed at a location that fails to observe applicable requirements or standards of chapter 181A or 182, or any rule promulgated under them. For purposes of this subdivision, subdivision 6, and section 609.14, the term "intermediate sanctions" includes but is not limited to incarceration in a local jail or workhouse, home detention, electronic monitoring, intensive probation, sentencing to service, reporting to a day reporting center, chemical dependency or mental health treatment or counseling, restitution, fines, day-fines, community work service, and work in lieu of or to work off fines.

A court may not stay the revocation of the driver's license of a person convicted of violating the provisions of section 169.121.

Sec. 25. Minnesota Statutes 1992, section 609.1352, subdivision 1, is amended to read:

Subdivision 1. [SENTENCING AUTHORITY.] A court shall ~~commit a person to a term of imprisonment of the commissioner of corrections for a period of time that is not less than double the presumptive sentence under the sentencing guidelines and not more than the statutory maximum, or if the statutory maximum is less than double the presumptive sentence, to a term of imprisonment for a period of time that is equal to the statutory maximum, if:~~

(1) the court is imposing an executed sentence, based on a sentencing guidelines presumptive imprisonment sentence or a dispositional departure for aggravating circumstances or a mandatory minimum sentence, on a person convicted of committing or attempting to commit a violation of section 609.342, 609.343, 609.344, or 609.345, or on a person convicted of committing or attempting to commit any other crime listed in subdivision 2 if it reasonably appears to the court that the crime was motivated by the offender's sexual impulses or was part of a predatory pattern of behavior that had criminal sexual conduct as its goal;

(2) the court finds that the offender is a danger to public safety; and

(3) the court finds that the offender needs long-term treatment or supervision beyond the presumptive term of imprisonment and supervised release.

The finding must be based on a professional assessment by an examiner experienced in evaluating sex offenders that concludes that the offender is a patterned sex offender. The assessment must contain the facts upon which the conclusion is based, with reference to the offense history of the offender or the severity of the current offense, the social history of the offender, and the results of an examination of the offender's mental status unless the offender refuses to be examined. The conclusion may not be based on testing alone. A patterned sex offender is one whose criminal sexual behavior is so engrained that the risk of reoffending is great without intensive psychotherapeutic intervention or other long-term controls.

Sec. 26. Minnesota Statutes 1992, section 609.15, subdivision 2, is amended to read:

Subd. 2. [LIMIT ON TERMS SENTENCES; MISDEMEANOR AND GROSS MISDEMEANOR.] If the court specifies that the sentence shall run consecutively and all of the sentences are for misdemeanors, the total of the terms of imprisonment sentences shall not exceed one year. If all of the sentences are for gross misdemeanors, the total of the terms sentences shall not exceed three years.

Sec. 27. Minnesota Statutes 1992, section 609.152, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] (a) As used in this section, the following terms have the meanings given.

(b) "Conviction" means any of the following accepted and recorded by the court: a plea of guilty, a verdict of guilty by a jury, or a finding of guilty by the court. The term includes a conviction by any court in Minnesota or another jurisdiction.

(c) "Prior conviction" means a conviction that occurred before the offender committed the next felony resulting in a conviction and before the offense for which the offender is being sentenced under this section.

(d) "Violent crime" means a violation of or an attempt or conspiracy to violate any of the following laws of this state or any similar laws of the United States or any other state: section 609.185; 609.19; 609.195; 609.20; 609.205; 609.21; 609.221; 609.222; 609.223; 609.228; 609.235; 609.24; 609.245; 609.25; 609.255; 609.2661; 609.2662; 609.2663; 609.2664; 609.2665; 609.267; 609.2671; 609.268; 609.342; 609.343; 609.344; 609.345; 609.498, subdivision 1; 609.561; 609.562; 609.582, subdivision 1; 609.687; or any provision of chapter 152 that is punishable by a maximum term of imprisonment sentence of 15 years or more.

Sec. 28. Minnesota Statutes 1992, section 609.196, is amended to read:

609.196 [MANDATORY PENALTY FOR CERTAIN MURDERERS.]

When a person is convicted of violating section 609.19 or 609.195, the court shall sentence the person to the statutory maximum term of imprisonment sentence for the offense if the person was previously convicted of a heinous crime as defined in section 609.184 and 15 years have not elapsed since the person was discharged from the sentence imposed for that conviction. The court may not stay the imposition or execution of the sentence, notwithstanding section 609.135.

Sec. 29. Minnesota Statutes 1992, section 609.229, subdivision 3, is amended to read:

Subd. 3. [PENALTY.] (a) If the crime committed in violation of subdivision 2 is a felony, the statutory maximum for the crime is three years longer than the statutory maximum for the underlying crime.

(b) If the crime committed in violation of subdivision 2 is a misdemeanor, the person is guilty of a gross misdemeanor.

(c) If the crime committed in violation of subdivision 2 is a gross misdemeanor, the person is guilty of a felony and may be sentenced to a term of imprisonment of not more than one year and a day or to payment of a fine of not more than \$5,000, or both.

Sec. 30. Minnesota Statutes 1992, section 609.346, subdivision 2, is amended to read:

Subd. 2. [SUBSEQUENT SEX OFFENSE; PENALTY.] Except as provided in subdivision 2a or 2b, if a person is convicted under sections 609.342 to 609.345, within 15 years of a previous sex offense conviction, the court shall commit the defendant to the commissioner of corrections for imprisonment for a term of not less than three years, nor more than the maximum sentence provided by law for the offense for which convicted, notwithstanding the provisions of sections 242.19, 243.05, 609.11, 609.12 and 609.135. The court may stay the execution of the sentence imposed under this subdivision only if it finds that a professional assessment indicates the offender is accepted by and can respond to treatment at a long-term inpatient program exclusively treating sex offenders and approved by the commissioner of corrections. If the court stays the execution of a sentence, it shall include the following as conditions of probation: (1) incarceration in a local jail or workhouse; and (2) a requirement that the offender successfully complete the treatment program and aftercare as directed by the court.

Sec. 31. Minnesota Statutes 1992, section 609.346, subdivision 2b, is amended to read:

Subd. 2b. [MANDATORY 30-YEAR SENTENCE.] (a) The court shall sentence commit a person to a term of the commissioner of corrections for not less than 30 years, notwithstanding the statutory maximum sentence under section 609.343, if:

(1) the person is convicted under section 609.342, subdivision 1, clause (c), (d), (e), or (f); or 609.343, subdivision 1, clause (c), (d), (e), or (f); and

(2) the court determines on the record at the time of sentencing that:

(i) the crime involved an aggravating factor that would provide grounds for an upward departure under the sentencing guidelines other than the aggravating factor applicable to repeat criminal sexual conduct convictions; and

(ii) the person has a previous sex offense conviction under section 609.342, 609.343, or 609.344.

(b) Notwithstanding sections 609.342, subdivision 3; and 609.343, subdivision 3; and subdivision 2, the court may not stay imposition or execution of the sentence required by this subdivision.

Sec. 32. Minnesota Statutes 1992, section 609.3461, subdivision 2, is amended to read:

Subd. 2. [BEFORE RELEASE.] If a person convicted of violating or attempting to violate section 609.342, 609.343, 609.344, or 609.345, or sentenced as a patterned sex offender under section 609.1352, and committed to the custody of the commissioner of corrections for a term of imprisonment, has not provided a biological specimen for the purpose of DNA analysis, the commissioner of corrections or local corrections authority shall order the person to provide a biological specimen for the purpose of DNA analysis before completion of the person's term of imprisonment. The commissioner of corrections or local corrections authority shall forward the sample to the bureau of criminal apprehension.

Sec. 33. Minnesota Statutes 1992, section 609.582, subdivision 1a, is amended to read:

Subd. 1a. [MANDATORY MINIMUM SENTENCE FOR BURGLARY OF OCCUPIED DWELLING.] A person convicted of committing burglary of an occupied dwelling, as defined in subdivision 1, clause (a), must be committed to the commissioner of corrections or county workhouse for a mandatory minimum term of imprisonment of not less than six months.

Sec. 34. Minnesota Statutes 1992, section 609.891, subdivision 2, is amended to read:

Subd. 2. [FELONY.] (a) A person who violates subdivision 1 in a manner that creates a grave risk of causing the death of a person is guilty of a felony and may be sentenced to a term of imprisonment of for not more than ten years or to payment of a fine of not more than \$20,000, or both.

(b) A person who is convicted of a second or subsequent gross misdemeanor violation of subdivision 1 is guilty of a felony and may be sentenced under paragraph (a).

Sec. 35. Minnesota Statutes 1992, section 611A.06, subdivision 1, is amended to read:

Subdivision 1. [NOTICE OF RELEASE REQUIRED.] The commissioner of corrections or other custodial authority shall make a good faith effort to notify the victim that the offender is to be released from imprisonment or incarceration, including release on extended furlough and for work release; released from a juvenile correctional facility; released from a facility in which the offender was confined due to incompetency, mental illness, or mental deficiency, or commitment under section 253B.18; or transferred from one correctional facility to another when the correctional program involves less security, if the victim has mailed to the commissioner of corrections or to the head of the facility in which the offender is confined a written request for this notice. The good faith effort to notify the victim must occur prior to the release, transfer, or change in security status. For a victim of a felony crime against the person for which the offender was sentenced to a term of imprisonment of for more than 18 months, the good faith effort to notify the victim must occur 60 days before the offender's release, transfer, or change in security status.

Sec. 36. Minnesota Statutes 1992, section 629.291, subdivision 1, is amended to read:

Subdivision 1. [PETITION FOR TRANSFER.] The attorney general of the United States, or any of the attorney general's assistants, or the United States attorney for the district of Minnesota, or any of the United States attorney's assistants, may file a petition with the governor requesting the state of Minnesota to consent to transfer an inmate, serving a term of imprisonment sentence in a Minnesota correctional facility for violation of a Minnesota criminal law, to the United States district court for the purpose of being tried for violation of a federal criminal law. In order for a petition to be filed under this section, the inmate must at the time of the filing of the petition be under indictment in the United States district court for Minnesota for violation of a federal criminal law. The petition must name the inmate for whom transfer is requested and the Minnesota correctional facility in which the inmate is imprisoned. The petition must be verified and have a certified copy of the federal indictment attached to it. The petitioner must agree in the petition to pay all expenses incurred by the state in transferring the inmate to the United States court for trial.

Sec. 37. [EFFECTIVE DATE.]

Sections 1 to 36 are effective August 1, 1993, and apply to crimes committed on or after that date.

ARTICLE 10

CRIMINAL AND JUVENILE JUSTICE INFORMATION

Section 1. Minnesota Statutes 1992, section 168.345, is amended by adding a subdivision to read:

Subd. 3. [REQUESTS FOR INFORMATION; SURCHARGE ON FEE.] The commissioner shall impose a surcharge of 50 cents on each fee charged by the commissioner under section 13.03, subdivision 3, for copies or electronic transmittal of public information concerning motor vehicle registrations. The surcharge does not apply to the request of an individual for information concerning vehicles registered in that individual's name. The commissioner shall forward the surcharges collected under this subdivision to the commissioner of finance on a monthly basis. Upon receipt, the commissioner of finance shall credit the surcharges to the general fund.

Sec. 2. Minnesota Statutes 1992, section 171.12, is amended by adding a subdivision to read:

Subd. 8. [REQUESTS FOR INFORMATION; SURCHARGE ON FEE.] The commissioner shall impose a surcharge of 50 cents on each fee charged by the commissioner under section 13.03, subdivision 3, for copies or electronic transmittal of public information concerning driver's license and Minnesota identification card applicants. The surcharge does not apply to the request of an individual for information concerning that individual's driver's license or Minnesota identification card. The commissioner shall forward the surcharges collected under this subdivision to the commissioner of finance on a monthly basis. Upon receipt, the commissioner of finance shall credit the surcharges to the general fund.

Sec. 3. Minnesota Statutes 1992, section 241.021, subdivision 1, is amended to read:

Subdivision 1. [SUPERVISION OVER CORRECTIONAL INSTITUTIONS.] (1) The commissioner of corrections shall inspect and license all

correctional facilities throughout the state, whether public or private, established and operated for the detention and confinement of persons detained or confined therein according to law except to the extent that they are inspected or licensed by other state regulating agencies. The commissioner shall promulgate pursuant to chapter 14, rules establishing minimum standards for these facilities with respect to their management, operation, physical condition, and the security, safety, health, treatment, and discipline of persons detained or confined therein. Commencing September 1, 1980, no individual, corporation, partnership, voluntary association, or other private organization legally responsible for the operation of a correctional facility may operate the facility unless licensed by the commissioner of corrections. The commissioner shall annually review the correctional facilities described in this subdivision, except as otherwise provided herein, to determine compliance with the minimum standards established pursuant to this subdivision. The commissioner shall grant a license to any facility found to conform to minimum standards or to any facility which, in the commissioner's judgment, is making satisfactory progress toward substantial conformity and the interests and well-being of the persons detained or confined therein are protected. The commissioner shall have access to the buildings, grounds, books, records, staff, and to persons detained or confined in these facilities. The commissioner may require the officers in charge of these facilities to furnish all information and statistics the commissioner deems necessary, at a time and place designated by the commissioner. *The commissioner may require that the information be provided through the department of corrections detention information system.*

(2) Any state agency which regulates, inspects, or licenses certain aspects of correctional facilities shall, insofar as is possible, ensure that the minimum standards it requires are substantially the same as those required by other state agencies which regulate, inspect, or license the same aspects of similar types of correctional facilities, although at different correctional facilities.

(3) Nothing in this section shall be construed to limit the commissioner of corrections' authority to promulgate rules establishing standards of eligibility for counties to receive funds under sections 401.01 to 401.16, or to require counties to comply with operating standards the commissioner establishes as a condition precedent for counties to receive that funding.

(4) When the commissioner finds that any facility described in clause (1), except foster care facilities for delinquent children and youth as provided in subdivision 2, does not substantially conform to the minimum standards established by the commissioner and is not making satisfactory progress toward substantial conformance, the commissioner shall promptly notify the chief executive officer and the governing board of the facility of the deficiencies and order that they be remedied within a reasonable period of time. The commissioner may by written order restrict the use of any facility which does not substantially conform to minimum standards to prohibit the detention of any person therein for more than 72 hours at one time. When, after due notice and hearing, the commissioner finds that any facility described in this subdivision, except county jails and lockups as provided in sections 641.26, 642.10, and 642.11, does not conform to minimum standards, or is not making satisfactory progress toward substantial compliance therewith, the commissioner may issue an order revoking the license of that facility. After revocation of its license, that facility shall not be used until its license is renewed. When the commissioner is satisfied that satisfactory

progress towards substantial compliance with minimum standard is being made, the commissioner may, at the request of the appropriate officials of the affected facility supported by a written schedule for compliance, grant an extension of time for a period not to exceed one year.

(5) As used in this subdivision, "correctional facility" means any facility, including a group home, having a residential component, the primary purpose of which is to serve persons placed therein by a court, court services department, parole authority, or other correctional agency having dispositional power over persons charged with, convicted, or adjudicated to be guilty or delinquent.

Sec. 4. [CRIMINAL AND JUVENILE JUSTICE INFORMATION POLICY GROUP.]

Subdivision 1. [ESTABLISHING GROUP.] The criminal and juvenile information policy group consists of the chair of the sentencing guidelines commission, the commissioner of corrections, the commissioner of public safety, and the state court administrator.

The policy group shall study and make recommendations to the governor, the supreme court, and the legislature on:

(1) a framework for integrated criminal justice information systems, including the development and maintenance of a community data model for state, county, and local criminal justice information;

(2) the responsibilities of each entity within the criminal and juvenile justice systems concerning the collection, maintenance, dissemination, and sharing of criminal justice information with one another;

(3) actions necessary to ensure that information maintained in the criminal justice information systems is accurate and up-to-date;

(4) the development of an information system containing criminal justice information on felony-level juvenile offenders that is part of the integrated criminal justice information system framework;

(5) the development of an information system containing criminal justice information on misdemeanor arrests, prosecutions, and convictions that is part of the integrated criminal justice information system framework;

(6) comprehensive training programs and requirements for all individuals in criminal justice agencies to ensure the quality and accuracy of information in the criminal justice information systems;

(7) continuing education requirements for individuals in criminal justice agencies who are responsible for the collection, maintenance, dissemination, and sharing of criminal justice data;

(8) a periodic audit process to ensure the quality and accuracy of information contained in the criminal justice information systems;

(9) the equipment, training, and funding needs of the state and local agencies that participate in the criminal justice information systems;

(10) the impact of integrated criminal justice information systems on individual privacy rights; and

(11) the impact of proposed legislation on the criminal justice system, including any fiscal impact, need for training, changes in information systems, and changes in processes.

Subd. 2. [REPORT.] The policy group shall file a report with the governor, supreme court, and legislature by December 1, 1994 and 1996.

The report must make recommendations concerning any legislative changes or appropriations that are needed to ensure that the criminal justice information systems operate accurately and efficiently. To assist in developing recommendations, the policy group shall appoint a task force consisting of the members of the policy group or their designees and the following additional members:

- (1) the director of the office of strategic and long-range planning;*
- (2) two sheriffs recommended by the Minnesota sheriffs association;*
- (3) two police chiefs recommended by the Minnesota chiefs of police association;*
- (4) two county attorneys recommended by the Minnesota county attorneys association;*
- (5) two public defenders recommended by the state board of public defense;*
- (6) two city attorneys recommended by the Minnesota league of cities;*
- (7) two district judges appointed by the conference of chief judges, one of whom is currently assigned to the juvenile court;*
- (8) two community corrections administrators recommended by the Minnesota association of counties, one of whom represents a community corrections act county;*
- (9) two probation officers;*
- (10) two public members, one of whom has been a victim of crime;*
- (11) two court administrators;*
- (12) a member of the house of representatives appointed by the speaker of the house; and*
- (13) a member of the senate appointed by the majority leader.*

Sec. 5. [1994 RECOMMENDATIONS.]

Subdivision 1. [CONTINUING EDUCATION PROGRAM.] The criminal and juvenile information policy group shall explore the feasibility of developing and implementing a continuing education program for state, county, and local criminal justice information agencies. The policy group shall consult with representatives of public and private post-secondary institutions in determining the most effective manner in which the training should be provided. The policy group shall include recommendations in the 1994 report to the legislature.

Subd. 2. [CRIMINAL CODE NUMBERING SCHEME.] The policy group shall study and make recommendations on a structured numbering scheme for the criminal code to facilitate identification of the offense and the elements of

the crime and shall include recommendations in the 1994 report to the legislature.

ARTICLE 11

CRIME PREVENTION PROGRAMS

Section 1. [254A.18] [STATE CHEMICAL HEALTH INDEX MODEL.]

The commissioner of human services, in consultation with the chemical abuse prevention resource council, shall develop and test a chemical health index model to help assess the state's chemical health and coordinate state policy and programs relating to chemical abuse prevention and treatment. The chemical health index model shall assess a variety of factors known to affect the use and abuse of chemicals in different parts of the state including, but not limited to, demographic factors, risk factors, health care utilization, drug-related crime, productivity, resource availability, and overall health.

Sec. 2. Minnesota Statutes 1992, section 256.486, is amended to read:

256.486 [~~ASIAN~~ ASIAN-AMERICAN JUVENILE CRIME INTERVENTION AND PREVENTION GRANT PROGRAM.]

Subdivision 1. [GRANT PROGRAM.] The commissioner of human services shall establish a grant program for coordinated, family-based crime intervention and prevention services for ~~Asian~~ Asian-American youth. The commissioners of human services, education, and public safety shall work together to coordinate grant activities.

Subd. 2. [GRANT RECIPIENTS.] The commissioner shall award grants in amounts up to \$150,000 to agencies based in the ~~Asian~~ Asian-American community that have experience providing coordinated, family-based community services to ~~Asian~~ Asian-American youth and families.

Subd. 3. [PROJECT DESIGN.] Projects eligible for grants under this section must provide coordinated crime *intervention*, prevention, and educational services that include:

(1) education for ~~Asian~~ Asian-American parents, including parenting methods in the United States and information about the United States legal and educational systems;

(2) crime *intervention* and prevention programs for ~~Asian~~ Asian-American youth, including employment and career-related programs and guidance and counseling services;

(3) family-based services, including support networks, language classes, programs to promote parent-child communication, access to education and career resources, and conferences for ~~Asian~~ Asian-American children and parents;

(4) coordination with public and private agencies to improve communication between the ~~Asian~~ Asian-American community and the community at large; and

(5) hiring staff to implement the services in clauses (1) to (4).

Subd. 4. [USE OF GRANT MONEY TO MATCH FEDERAL FUNDS.] Grant money awarded under this section may be used to satisfy any state or

local match requirement that must be satisfied in order to receive federal funds.

Subd. 5. [ANNUAL REPORT.] Grant recipients must report to the commissioner by June 30 of each year on the services and programs provided, expenditures of grant money, and an evaluation of the program's success in reducing crime among Asian Asian-American youth.

Sec. 3. Minnesota Statutes 1992, section 299A.35, subdivision 1, is amended to read:

Subdivision 1. [PROGRAMS.] The commissioner shall, in consultation with the chemical abuse prevention resource council, administer a grant program to fund community-based programs that are designed to enhance the community's sense of personal security and to assist the community in its crime control efforts. Examples of qualifying programs include, but are not limited to, the following:

(1) programs to provide security systems for residential buildings serving low-income persons, elderly persons, and persons who have physical or mental disabilities;

(2) community-based programs designed to discourage young people from involvement in unlawful drug or street gang activities;

(3) neighborhood block clubs and innovative community-based crime watch programs; and

(4) *community-based programs designed to enrich the educational, cultural, or recreational opportunities of at-risk elementary or secondary school age youth, including programs designed to keep at-risk youth from dropping out of school and encourage school dropouts to return to school; and*

(5) other community-based crime prevention programs that are innovative and encourage substantial involvement by members of the community served by the program.

Sec. 4. Minnesota Statutes 1992, section 299A.35, subdivision 2, is amended to read:

Subd. 2. [GRANT PROCEDURE.] A local unit of government or a nonprofit community-based entity may apply for a grant by submitting an application with the commissioner. The applicant shall specify the following in its application:

(1) a description of each program for which funding is sought;

(2) the amount of funding to be provided to the program;

(3) the geographical area to be served by the program; and

(4) statistical information as to the number of arrests in the geographical area for violent crimes and for crimes involving schedule I and II controlled substances. "Violent crime" includes a violation of or an attempt or conspiracy to violate any of the following laws: sections 609.185; 609.19; 609.195; 609.20; 609.205; 609.21; 609.221; 609.222; 609.223; 609.228; 609.235; 609.24; 609.245; 609.25; 609.255; 609.2661; 609.2662; 609.2663; 609.2664; 609.2665; 609.267; 609.2671; 609.268; 609.342; 609.343; 609.344; 609.345; 609.498, subdivision 1; 609.561; 609.562; 609.582,

subdivision 1; 609.687; or any provision of chapter 152 that is punishable by a maximum term of imprisonment greater than ten years; and

(5) the number of economically disadvantaged youth in the geographic areas to be served by the program.

The commissioner shall give priority to funding programs in the geographical areas that have the highest crime rates, as measured by the data supplied under clause (4), *to programs in geographical areas that have the largest concentrations of economically disadvantaged youth, and to programs that demonstrate substantial involvement by members of the community served by the program.* The maximum amount that may be awarded to an applicant is \$50,000.

Sec. 5. Minnesota Statutes 1992, section 357.021, subdivision 2, is amended to read:

Subd. 2. [FEE AMOUNTS.] The fees to be charged and collected by the court administrator shall be as follows:

(1) In every civil action or proceeding in said court, the plaintiff, petitioner, or other moving party shall pay, when the first paper is filed for that party in said action, a fee of \$110.

The defendant or other adverse or intervening party, or any one or more of several defendants or other adverse or intervening parties appearing separately from the others, shall pay, when the first paper is filed for that party in said action, a fee of \$110.

The party requesting a trial by jury shall pay \$30.

The fees above stated shall be the full trial fee chargeable to said parties irrespective of whether trial be to the court alone, to the court and jury, or disposed of without trial, and shall include the entry of judgment in the action, but does not include copies or certified copies of any papers so filed or proceedings under chapter 103E, except the provisions therein as to appeals.

(2) Certified copy of any instrument from a civil or criminal proceeding, \$5, plus 25 cents per page after the first page, and \$3.50, plus 25 cents per page after the first page for an uncertified copy.

(3) Issuing a subpoena, \$3 for each name.

(4) Issuing an execution and filing the return thereof; issuing a writ of attachment, injunction, habeas corpus, mandamus, quo warranto, certiorari, or other writs not specifically mentioned, \$10.

(5) Issuing a transcript of judgment, or for filing and docketing a transcript of judgment from another court, \$7.50.

(6) Filing and entering a satisfaction of judgment, partial satisfaction, or assignment of judgment, \$5.

(7) Certificate as to existence or nonexistence of judgments docketed, \$5 for each name certified to.

(8) Filing and indexing trade name; or recording basic science certificate; or recording certificate of physicians, osteopaths, chiropractors, veterinarians, or optometrists, \$5.

(9) For the filing of each partial, final, or annual account in all trusteeships, \$10.

(10) For the deposit of a will, \$5.

(11) For recording notary commission, \$25, of which, notwithstanding subdivision 1a, paragraph (b), \$20 must be forwarded to the state treasurer to be deposited in the state treasury and credited to the general fund.

(12) When a defendant pleads guilty to or is sentenced for a petty misdemeanor other than a parking violation, the defendant shall pay a fee of \$5 \$10.

(13) Filing a motion or response to a motion for modification of child support, a fee fixed by rule or order of the supreme court.

(14) All other services required by law for which no fee is provided, such fee as compares favorably with those herein provided, or such as may be fixed by rule or order of the court.

The fees in clauses (3) and (4) need not be paid by a public authority or the party the public authority represents.

Sec. 6. Minnesota Statutes 1992, section 609.101, subdivision 1, is amended to read:

Subdivision 1. [SURCHARGES AND ASSESSMENTS.] (a) When a court sentences a person convicted of a felony, gross misdemeanor, or misdemeanor, other than a petty misdemeanor such as a traffic or parking violation, and if the sentence does not include payment of a fine, the court shall impose an assessment of not less than \$25 nor more than \$50. If the sentence for the felony, gross misdemeanor, or misdemeanor includes payment of a fine of any amount, including a fine of less than \$100, the court shall impose a surcharge on the fine of 20 percent of the fine. This section applies whether or not the person is sentenced to imprisonment and when the sentence is suspended.

(b) In addition to the assessments in paragraph (a), the court shall assess the following surcharges after a person is convicted:

(1) for a person charged with a felony, \$25;

(2) for a person charged with a gross misdemeanor, \$15;

(3) for a person charged with a misdemeanor other than a traffic, parking, or local ordinance violation, \$10; and

(4) for a person charged with a local ordinance violation other than a parking or traffic violation, \$5.

The surcharge must be assessed for the original charge, whether or not it is subsequently reduced. A person charged on more than one count may be assessed only one surcharge under this paragraph, but must be assessed for the most serious offense. This paragraph applies whether or not the person is sentenced to imprisonment and when the sentence is suspended.

(c) The court may not waive payment or authorize payment of the assessment or surcharge in installments unless it makes written findings on the record that the convicted person is indigent or that the assessment or surcharge would create undue hardship for the convicted person or that person's immediate family.

(4) If the court fails to waive or impose an assessment required by paragraph (a), the court administrator shall correct the record to show imposition of an assessment of \$25 if the sentence does not include payment of a fine, or if the sentence includes a fine, to show an imposition of a surcharge of ten percent of the fine. If the court fails to waive or impose an assessment required by paragraph (b), the court administrator shall correct the record to show imposition of the assessment described in paragraph (b).

(e) (d) Except for assessments and surcharges imposed on persons convicted of violations described in section 97A.065, subdivision 2, the court shall collect and forward to the commissioner of finance the total amount of the assessments or surcharges and the commissioner shall credit all money so forwarded to the general fund.

(f) (e) If the convicted person is sentenced to imprisonment, the chief executive officer of the correctional facility in which the convicted person is incarcerated may collect the assessment or surcharge from any earnings the inmate accrues for work performed in the correctional facility and forward the amount to the commissioner of finance, indicating the part that was imposed for violations described in section 97A.065, subdivision 2, which must be credited to the game and fish fund.

Sec. 7. Minnesota Statutes 1992, section 609.101, subdivision 2, is amended to read:

Subd. 2. [MINIMUM FINES.] Notwithstanding any other law:

(1) when a court sentences a person convicted of violating section 609.221, 609.267, or 609.342, it must impose a fine of not less than \$500 nor more than the maximum fine authorized by law;

(2) when a court sentences a person convicted of violating section 609.222, 609.223, 609.2671, 609.343, 609.344, or 609.345, it must impose a fine of not less than \$300 nor more than the maximum fine authorized by law; and

(3) when a court sentences a person convicted of violating section 609.2231, 609.224, or 609.2672, it must impose a fine of not less than \$100 nor more than the maximum fine authorized by law.

The court may not waive payment of the fine or authorize payment of it in installments unless the court makes written findings on the record that the convicted person is indigent or that the fine would create undue hardship for the convicted person or that person's immediate family.

The court shall collect the portion of the fine mandated by this subdivision and forward 70 percent of it to a local victim assistance program that provides services locally in the county in which the crime was committed. The court shall forward the remaining 30 percent to the commissioner of finance to be credited to the general fund. If more than one victim assistance program serves the county in which the crime was committed, the court may designate on a case-by-case basis which program will receive the fine proceeds, giving consideration to the nature of the crime committed, the types of victims served by the program, and the funding needs of the program. If no victim assistance program serves that county, the court shall forward 100 percent of the fine proceeds to the commissioner of finance to be credited to the general fund. Fine proceeds received by a local victim assistance program must be used to provide direct services to crime victims.

The minimum fine required by this subdivision is in addition to the surcharge or assessment required by subdivision 1 and is in addition to any term of imprisonment or restitution imposed or ordered by the court.

As used in this subdivision, "victim assistance program" means victim witness programs within county attorney offices or any of the following programs: crime victim crisis centers, victim-witness programs, battered women shelters and nonshelter programs, and sexual assault programs.

Sec. 8. Minnesota Statutes 1992, section 609.101, subdivision 3, is amended to read:

Subd. 3. [CONTROLLED SUBSTANCE OFFENSES; MINIMUM FINES.] (a) Notwithstanding any other law, when a court sentences a person convicted of:

(1) a first degree controlled substance crime under section sections 152.021 to 152.025, it must impose a fine of not less than ~~\$2,500~~ 20 percent of the maximum fine authorized by law nor more than the maximum fine authorized by law;

(2) a second degree controlled substance crime under section 152.022, it must impose a fine of not less than \$1,000 nor more than the maximum fine authorized by law;

(3) a third degree controlled substance crime under section 152.023, it must impose a fine of not less than \$750 nor more than the maximum fine authorized by law;

(4) a fourth degree controlled substance crime under section 152.024, it must impose a fine of not less than \$500 nor more than the maximum fine authorized by law; and

(5) a fifth degree controlled substance violation under section 152.025, it must impose a fine of not less than \$300 nor more than the maximum fine authorized by law.

(b) The court may not waive payment of the fine or authorize payment of it in installments unless the court makes written findings on the record that the convicted person is indigent or that the fine would create undue hardship for the convicted person or that person's immediate family.

(c) The minimum fine required by this subdivision is in addition to the surcharge or assessment required by subdivision 1 and is in addition to any term of imprisonment or restitution imposed or ordered by the court.

(d) (c) The court shall collect the fine mandated by this subdivision and forward 70 percent of it to a local drug abuse prevention program existing or being implemented in the county in which the crime was committed. The court shall forward the remaining 30 percent to the state treasurer to be credited to the general fund. If more than one drug abuse prevention program serves the county in which the crime was committed, the court may designate on a case-by-case basis which program will receive the fine proceeds, giving consideration to the community in which the crime was committed, the funding needs of the program, the number of peace officers in each community certified to teach the program, and the number of children served by the program in each community. If no drug abuse prevention program serves communities in that county, the court shall forward 100 percent of the fine proceeds to the state treasurer to be credited to the general fund.

(e) (d) The minimum fines required by this subdivision shall be collected as are other fines. Fine proceeds received by a local drug abuse prevention program must be used to support that program, and may be used for salaries of peace officers certified to teach the program. The drug abuse resistance education program must report receipt and use of money generated under this subdivision as prescribed by the drug abuse resistance education advisory council.

(f) (e) As used in this subdivision, "drug abuse prevention program" and "program" include:

(1) the drug abuse resistance education program described in sections 299A.33 and 299A.331; and

(2) any similar drug abuse education and prevention program that includes the following components:

(A) instruction for students enrolled in kindergarten through grade six that is designed to teach students to recognize and resist pressures to experiment with controlled substances and alcohol;

(B) provisions for parental involvement;

(C) classroom instruction by uniformed law enforcement personnel;

(D) the use of positive student leaders to influence younger students not to use drugs; and

(E) an emphasis on activity-oriented techniques designed to encourage student-generated responses to problem-solving situations.

Sec. 9. Minnesota Statutes 1992, section 609.101, subdivision 4, is amended to read:

Subd. 4. [MINIMUM FINES; OTHER CRIMES.] Notwithstanding any other law:

(1) when a court sentences a person convicted of a felony that is not listed in subdivision 2 or 3, it must impose a fine of not less than 20 30 percent of the maximum fine authorized by law nor more than the maximum fine authorized by law; and

(2) when a court sentences a person convicted of a gross misdemeanor or misdemeanor that is not listed in subdivision 2, it must impose a fine of not less than 20 30 percent of the maximum fine authorized by law nor more than the maximum fine authorized by law.

The court may not waive payment of the minimum fine or authorize payment of it in installments unless the court makes written findings on the record that the convicted person is indigent or that the fine would create undue hardship for the convicted person or that person's immediate family.

The minimum fine required by this subdivision is in addition to the surcharge or assessment required by subdivision 1 and is in addition to any term of imprisonment or restitution imposed or ordered by the court.

The court shall collect the fines mandated in this subdivision and forward 20 percent of the revenues to the state treasurer for deposit in the general fund.

Sec. 10. Minnesota Statutes 1992, section 609.101, is amended by adding a subdivision to read:

Subd. 5. [WAIVER PROHIBITED; INSTALLMENT PAYMENTS.] The court may not waive payment of the minimum fine, surcharge, or assessment required by this section. The court may reduce the amount of the minimum fine, surcharge, or assessment if the court makes written findings on the record that the convicted person is indigent or that immediate payment of the fine, surcharge, or assessment would create undue hardship for the convicted person or that person's immediate family. The court may authorize payment of the fine, surcharge, or assessment in installments.

Sec. 11. Laws 1992, chapter 571, article 16, section 4, is amended to read:

Sec. 4. [MULTIDISCIPLINARY PROGRAM GRANTS FOR PROFESSIONAL EDUCATION ABOUT VIOLENCE AND ABUSE.]

(a) The higher education coordinating board may award grants to "eligible institutions" as defined in Minnesota Statutes, section 136A.101, subdivision 4, to provide multidisciplinary training programs that provide training about:

(1) the extent and causes of violence and the identification of violence, which includes physical or sexual abuse or neglect, and racial or cultural violence; and

(2) culturally and historically sensitive approaches to dealing with victims and perpetrators of violence.

(b) The programs ~~shall be multidisciplinary and include~~ must be designed to prepare students to be teachers, ~~child protection workers~~ school administrators, law enforcement officers, ~~probation officers, parole officers,~~ lawyers, physicians, nurses, mental health professionals, social workers, guidance counselors, ~~and all~~ or other education, human services, mental health, and health care professionals who work with adult and child victims and perpetrators of violence and abuse.

Sec. 12. [HIGHER EDUCATION GRANTS FOR COLLABORATION AMONG HUMAN SERVICES PROFESSIONALS.]

Subdivision 1. [GRANTS.] The higher education coordinating board shall award grants to public post-secondary institutions to develop professional skills for interdisciplinary collaboration in providing health care, human services, and education.

Subd. 2. [PROGRAMS AND ACTIVITIES.] Grants shall support the following programs and activities:

(1) on-campus, off-campus, and multicampus collaboration in training professionals who work with adults and children to enable higher education students to be knowledgeable about the roles and expertise of different professions serving the same clients;

(2) programs to teach professional education students how health and other human services and education can be restructured to coordinate programs for efficiency and better results;

(3) faculty discussion and assessment of methods to provide professionals with the skills needed to collaborate with staff from other disciplines; and

(4) community outreach and leadership activities to reduce fragmentation among public agencies and private organizations serving individuals and families.

Sec. 13. [HIGHER EDUCATION CENTER ON VIOLENCE AND ABUSE.]

Subdivision 1. [CREATION AND DESIGNATION.] The higher education center on violence and abuse is created. The higher education center on violence and abuse shall be located at and managed by a public or private post-secondary institution in Minnesota. The higher education coordinating board shall designate the location of the center following review of proposals from potential higher education sponsors.

Subd. 2. [ADVISORY COMMITTEE.] The higher education coordinating board shall convene an advisory committee to develop specifications for the higher education center and review proposals from higher education institutions. The advisory committee shall include representatives who are students in professional programs, other students, student affairs professionals, professional education faculty, and practicing professionals in the community who are involved with problems of violence and abuse.

Subd. 3. [DUTIES.] The higher education center on violence and abuse shall:

(1) serve as a clearinghouse of information on curriculum models and other resources for professional education and for education of faculty, students, and staff about violence and harassment required under Laws 1992, chapter 571, article 16, section 1;

(2) sponsor conferences and research to assist higher education institutions in developing curricula about violence and abuse;

(3) fund pilot projects to stimulate multidisciplinary curricula about violence and abuse; and

(4) coordinate policies to ensure that professions and occupations with responsibilities toward victims and offenders have the knowledge and skills needed to prevent and respond appropriately to the problems of violence and abuse.

Subd. 4. [PROFESSIONAL EDUCATION AND LICENSURE.] By March 15, 1994, the center shall convene task forces for professions that work with victims and perpetrators of violence. Task forces must be formed for the following professions: teachers, school administrators, guidance counselors, law enforcement officers, lawyers, physicians, nurses, psychologists, and social workers. Each task force must include representatives of the licensing agency, higher education systems offering programs in the profession, appropriate professional associations, students or recent graduates, representatives of communities served by the profession, and employers or experienced professionals. The center must establish guidelines for the work of the task forces. Each task force must review current programs, licensing regulations and examinations, and accreditation standards to identify specific needs and plans for ensuring that professionals are adequately prepared and updated on violence and abuse issues.

Subd. 5. [PROGRESS REPORT.] The center shall provide a progress report to the legislature by March 15, 1994.

Sec. 14. [INSTITUTE FOR CHILD AND ADOLESCENT SEXUAL HEALTH.]

Subdivision 1. [PLANNING.] The interdisciplinary committee established in Laws 1992, chapter 571, article 1, section 28, shall continue planning for an institute for child and adolescent sexual health.

Subd. 2. [SPECIFIC RECOMMENDATIONS.] (a) The committee shall develop specific recommendations regarding the structure, funding, staffing and staff qualifications, siting, and affiliations of the institute, and a detailed plan for long-term funding of the institute which shall not be a state program.

(b) The committee shall also clearly document and describe the following:

(1) the problems to be addressed by the institute, including statistical data on the extent of these problems;

(2) strategies already available in the professional literature to address these problems;

(3) information on which of these strategies have been implemented in Minnesota, including data on the availability and effectiveness of these strategies and gaps in the availability of these strategies;

(4) the rationale for the recommended design of the institute; and

(5) the mission of the institute, including a code of ethics for conducting research.

Subd. 3. [REPORT.] The commissioner of health shall submit a report to the legislature by January 1, 1994, based on the recommendations of the committee.

Sec. 15. [SURVEY OF INMATES.]

Subdivision 1. [SURVEY REQUIRED.] The commissioner of corrections shall conduct a survey of inmates in the state correctional system who have been committed to the custody of the commissioner for a period of more than one year's incarceration. The survey may be conducted by an outside party. In surveying the inmates, the commissioner shall take steps to ensure that the confidentiality of responses is strictly maintained. The survey shall compile information about each inmate concerning, but not limited to, the following:

(1) offense for which currently incarcerated;

(2) sex of inmate, place of birth, date of birth, and age of mother at birth;

(3) major caretaker during preschool years, marital status of family, and presence of male in household during childhood;

(4) number of siblings;

(5) attitude toward school, truancy history, and school suspension history;

(6) involvement of sibling or parent in criminal justice system;

(7) age of inmate's first involvement in criminal justice system, the type of offense or charge, the response of criminal justice system, and the type of treatment or punishment, if any;

(8) nature of discipline used in home;

- (9) placement in foster care or adoption;
- (10) childhood traumas;
- (11) most influential adult in life;
- (12) chemical abuse problems among adults in household while a child;
- (13) inmate's chemical history, and if a problem of chemical abuse exists, the age of its onset;
- (14) city, suburb, small town, or rural environment during childhood and state or states of residence before the age of 18;
- (15) number of times family moved during school years;
- (16) involvement with school or community activities;
- (17) greatest problem as a child;
- (18) greatest success as a child; and
- (19) physical or sexual abuse as a child.

Subd. 2. [REPORT.] By January 1, 1994, the commissioner shall compile the results of the survey and report them to the chairs of the senate committee on crime prevention and the house committee on judiciary. Information concerning the identity of individual inmates shall not be reported.

Sec. 16. Laws 1991, chapter 279, section 41, is amended to read:

Sec. 41. [REPEALERS.]

(a) Minnesota Statutes 1990, sections 244.095; and 299A.29, subdivisions 2 and 4, are repealed.

(b) Minnesota Statutes 1990, section 609.101, subdivision 3, is repealed effective July 1, 1995.

Sec. 17. [REPEALER.]

Sections 4, and the increases from 20 percent to 30 percent in section 9, are repealed effective July 1, 1995. Minnesota Statutes 1992, section 299A.325, is repealed.

ARTICLE 12

APPROPRIATIONS

Section 1. [APPROPRIATION.]

\$10,325,000 is appropriated from the general fund to the agencies and for the purposes indicated in this article, to be available for the fiscal year ending June 30 in the years indicated.

1994

1995

Sec. 2. DEPARTMENT OF EDUCATION

For violence prevention education grants under Minnesota Statutes, section 126.78.

1,500,000

1,500,000

Sec. 3. HIGHER EDUCATION COORDINATING BOARD

For purposes of article 11, sections 7 to 10.

200,000 200,000

Sec. 4. DARE ADVISORY COUNCIL

For drug abuse resistance education programs under Minnesota Statutes, section 299A.331.

190,000 190,000

Sec. 5. DEPARTMENT OF PUBLIC SAFETY

1,307,000 1,176,000

(a) For community crime reduction grants under Minnesota Statutes, section 299A.35. A minimum of two-thirds of this appropriation must be used for grants to programs qualifying under Minnesota Statutes, section 299A.35, subdivision 1, clauses (2) and (4).

600,000 600,000

(b) To reimburse local correctional agencies for costs incurred to comply with article 10, section 3.

25,000 25,000

(c) For the implementation of the seven-day fingerprint identification service. The complement of the department is increased by three positions for this purpose.

110,000 100,000

(d) For the costs of addressing workload increases in maintaining the BCA's computerized criminal history data system. The complement of the department is increased by five positions for this purpose.

174,000 152,000

(e) For the costs of providing training on and auditing of the BCA's criminal justice information systems reporting requirements. The complement of the department is increased by two positions for this purpose.

100,000 100,000

(f) For the costs of addressing workload increases in maintaining the criminal justice data communications network. The complement of the department is increased by two positions for this purpose.

73,000 99,000

(g) For the costs of providing training on and auditing of the criminal justice data communications network criminal justice information systems reporting requirements. The complement of the depart-

ment is increased by two positions for this purpose.

100,000 100,000

(h) For the development of a community data model for state, county, and local criminal justice information systems.

125,000 -0-

Sec. 6. DEPARTMENT OF HUMAN SERVICES

For the Asian juvenile crime prevention grant program authorized by Minnesota Statutes, section 256.486.

500,000 500,000

Sec. 7. DEPARTMENT OF HEALTH

For the planning process for an institute for child and adolescent sexual health.

65,000 -0-

Sec. 8. DEPARTMENT OF CORRECTIONS

1,250,000 1,350,000

(a) For the survey of inmates required by article 11, section 13.

25,000 -0-

(b) For the sex offender programming project required by article 8, section 6, to be available until June 30, 1995.

1,175,000 1,300,000

The complement of the department is increased by four positions.

(c) For the costs of providing training on and auditing of criminal justice information systems reporting requirements. The complement of the department is increased by one position for this purpose.

50,000 50,000

Sec. 9. SUPREME COURT

150,000 147,000

(a) For the costs of addressing workload increases in maintaining the supreme court information system.

50,000 47,000

(b) For the costs of providing training on and auditing of criminal justice information systems reporting requirements.

100,000 100,000

Sec. 10. SENTENCING GUIDELINES COMMISSION

For the costs of providing training on and auditing of criminal justice information systems reporting requirements. The complement of the commission is increased by one position for this purpose.

50,000 50,000"

Delete the title and insert:

"A bill for an act relating to crime; prohibiting drive-by shootings, possession of dangerous weapons and trespassing on school property, negli-

gent storage of firearms, and reckless discharge of firearms; providing for forfeiture of vehicles used in drive-by shootings and prostitution; authorizing certain governmental entities to adopt certain firearms ordinances; providing for access to juvenile court records; increasing penalty for repeat violations of pistol permit law; extending wiretap warrant period; providing for sentence of life without release for first-degree murder of a peace officer; making terminology changes and technical corrections related to new felony sentencing law; expanding scope of sex offender registration and DNA specimen provisions; requiring certain counties to establish diversion programs; appropriating money; amending Minnesota Statutes 1992, sections 16B.08, subdivision 7; 144A.04, subdivisions 4 and 6; 144A.11, subdivision 3a; 144B.08, subdivision 3; 147.09; 152.021, subdivision 3; 152.022, subdivisions 1 and 3; 152.023, subdivisions 2 and 3; 152.024, subdivision 3; 152.025, subdivision 3; 152.026; 152.18, subdivision 1; 168.345, by adding a subdivision; 169.121, subdivision 3a; 169.222, subdivision 6, and by adding a subdivision; 169.64, subdivision 3; 169.98, subdivision 1a; 171.12; by adding a subdivision; 238.16, subdivision 2; 241.021, subdivision 1; 241.09; 241.67, subdivisions 1, 2, and by adding a subdivision; 243.166, subdivisions 1, 2, 3, 4, 6, and by adding subdivisions; 243.18, subdivision 2, and by adding a subdivision; 243.23, subdivision 3; 244.01, subdivision 8, and by adding a subdivision; 244.05, subdivisions 1b, 4, 5, and by adding a subdivision; 244.065; 244.101; 244.14, subdivisions 2 and 3; 244.15, subdivision 1; 244.17, subdivision 3; 244.171, subdivisions 3 and 4; 244.172, subdivisions 1 and 2; 256.486; 260.161, subdivisions 1 and 3; 260.185, subdivision 1; 289A.63, by adding a subdivision; 297B.10; 299A.35, subdivisions 1 and 2; 299C.46, by adding a subdivision; 299C.54, by adding a subdivision; 299D.06; 357.021, subdivision 2; 388.23, subdivision 1; 401.02, subdivision 4; 471.633; 480.0591, subdivision 6; 541.15; 609.0341, subdivision 1; 609.035; 609.06; 609.101, subdivisions 1, 2, 3, 4, and by adding a subdivision; 609.11; 609.135; subdivisions 1, 1a, and 2; 609.1352, subdivision 1; 609.14, subdivision 1; 609.15, subdivision 2; 609.152, subdivision 1; 609.184, subdivision 2; 609.196; 609.229, subdivision 3; 609.251; 609.346, subdivisions 2, 2b, and 5; 609.3461; 609.531; 609.5311, subdivision 3; 609.5312, subdivision 2; 609.5314, subdivisions 1 and 3; 609.5315, subdivisions 1, 2, and 4; 609.582, subdivision 1a; 609.585; 609.605, by adding a subdivision; 609.66, subdivision 1a, and by adding subdivisions; 609.713, subdivision 1; 609.856, subdivision 1; 609.891, subdivision 2; 611A.06, subdivision 1; 624.712, subdivision 5; 624.713, subdivision 1; 624.7131, subdivision 10; 624.7132, subdivisions 4 and 8; 624.714, subdivision 1; 626.05, subdivision 2; 626A.06, subdivisions 4 and 5; 629.291, subdivision 1; 631.41; Laws 1991, chapter 279, section 41; Laws 1991, chapter 292, article 1, section 16; and Laws 1992, chapter 571, article 16, section 4; proposing coding for new law in Minnesota Statutes, chapters 254A; 401; 609; and 624; repealing Minnesota Statutes 1992, sections 241.25; 241.67, subdivision 5; 241.671; 243.165; and 299A.325."

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

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

S.F. No. 1559: A bill for an act relating to education; providing for general education revenue, transportation, special programs, community services,

facilities and equipment, education organization and cooperation, other aids and levies, other education programs, miscellaneous education matters, libraries, state education agencies, maximum effort school loan bonds; authorizing the issuance of bonds; raising income tax rates; appropriating money; amending Minnesota Statutes 1992, sections 3.873, subdivisions 4, 5, 6, 7, and 9; 16A.1541; 120.062, subdivision 9; 120.0621, by adding a subdivision; 120.064, subdivisions 1, 3, 4, 5, 8, 9, 11, 18, 21, and by adding a subdivision; 120.101, subdivisions 5 and 5b; 120.102, subdivision 1; 120.105; 120.17, subdivisions 2, 3, 11a, 11b, 12, 14, 15, and by adding subdivisions; 121.11, subdivisions 7, 12, and by adding subdivisions; 121.14; 121.16, subdivision 1; 121.585, subdivision 2; 121.612, subdivisions 2 and 4; 121.831; 121.87, subdivision 1; 121.88, subdivisions 1, 4, 7, and 10; 121.904, subdivisions 4a and 14; 121.906; 121.908, subdivisions 1 and 2; 121.912, subdivision 6; 121.931, subdivision 5; 122.23, subdivision 18, and by adding a subdivision; 122.243, subdivision 2; 122.895, subdivision 2, and by adding a subdivision; 123.33, by adding a subdivision; 123.34, subdivisions 9 and 10; 123.35, subdivision 1; 123.3514, subdivisions 6, 6b, and 6c; 123.36, by adding a subdivision; 123.38, subdivisions 2 and 2b; 123.39, by adding a subdivision; 123.702, subdivisions 1, 1a, 3, and 5; 123.7045; 123.80, subdivision 1; 123.951; 124.17, subdivisions 1, 1, and by adding a subdivision; 124.19, subdivisions 1, 4, 5, and 5; 124.195, subdivisions 9, 9, and 10; 124.225, subdivisions 1, 1, 3a, 7b, 7d, 7e, 8a, and 10; 124.226, subdivisions 3, 5, 9, and by adding a subdivision; 124.243, subdivisions 2, 2a, 3, 6, and by adding a subdivision; 124.244, subdivisions 1 and 2; 124.245, subdivision 6; 124.26, subdivisions 1c and 2; 124.2601, subdivisions 4 and 6; 124.2615, subdivisions 2 and 3; 124.2711, subdivisions 1, 2a, and by adding subdivisions; 124.2713, subdivisions 2, 6, and by adding subdivisions; 124.2714; 124.2716; 124.2725, subdivisions 2, 4, 5, 6, 10, and 13; 124.2727; 124.273, subdivision 1b, and by adding a subdivision; 124.32, subdivisions 1b, 1d, and by adding subdivisions; 124.321, subdivisions 1 and 2; 124.322, subdivisions 2, 3, 4, and by adding a subdivision; 124.431, subdivisions 1a and 14; 124.573, subdivisions 2b, 3, and by adding subdivisions; 124.574, subdivision 2b; 124.83, subdivisions 1, 2, 4, 6, and by adding a subdivision; 124.85, subdivisions 1, 4, and 5; 124.91, subdivision 5; 124.912, by adding a subdivision; 124.914, by adding a subdivision; 124.916, subdivisions 2 and 3; 124.95, subdivisions 1, 2, 2a, 3, 3, and 4; 124.961; 124A.02, by adding a subdivision; 124A.03, subdivisions 1e, 1f, 1g, and by adding a subdivision; 124A.036, subdivision 5; 124A.04, subdivision 2; 124A.22, subdivisions 4, 4a, 5, 6, 9, and by adding subdivisions; 124A.23, subdivisions 1, 5, and 5; 124A.24; 124A.26, subdivision 1; 124A.29, subdivision 1; 124A.291; 124C.08, subdivisions 1 and 2; 124C.09; 124C.48, by adding a subdivision; 125.032, subdivision 2; 125.05, subdivisions 1a and 1a; 125.138; 126.22, subdivision 8; 126.67, subdivision 8; 126.70; 127.455; 127.46; 128B.10, subdivision 1; 144.29; 144.4165; 171.29, subdivision 2; 273.1398, subdivision 2a; 275.065, subdivision 6; 275.48; 290.06, subdivisions 2c and 2d; 290.091, subdivisions 1, 2, and 6; 475.61, subdivision 3; and 609.685, subdivision 3, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 121; 124; 124A; 124C; 125; 126; 126B; 128A; and 290; repealing Minnesota Statutes 1992, sections 120.095; 120.101, subdivisions 5a and 5b; 120.75, subdivision 2; 120.80, subdivision 2; 121.11, subdivisions 6, 13, 15, and 16; 121.165; 121.19; 121.49; 121.496; 121.585, subdivision 3; 121.609; 121.883; 121.90; 121.901; 121.902; 121.904, subdivisions 5, 6, 8, 9, 10, 11a, and 11c; 121.908, subdivision 4; 121.9121, subdivisions 3 and 5;

121.931, subdivisions 6, 6a, 7, and 8; 121.934; 121.935; 121.936, subdivisions 1, 2, and 3; 121.937; 121.94; 121.941; 121.942; 121.943; 122.91; 122.95; 123.33, subdivisions 10, 14, 15, and 16; 123.35, subdivision 14; 123.351; 123.352; 123.36, subdivisions 2, 3, 4, 4a, 6, 8, 9, and 12; 123.40, subdivisions 4 and 6; 123.58; 123.61; 123.67; 123.709; 123.744; 124.19, subdivisions 1, 1b, 6, and 7; 124.197; 124.2721; 124.2725, subdivision 8; 124.2727, subdivisions 6 and 7; 124.32, subdivision 5; 124.331; 124.332; 124.333; 124.573, subdivisions 2c and 2d; 124.575, subdivisions 2 and 4; 124.615; 124.62; 124.64; 124.645; 124.67; 124.68; 124.69; 124.79; 124.912, subdivisions 4 and 5; 124A.26, subdivision 1a; 124A.27, subdivision 1; 125.05, subdivision 1b; 125.12, subdivisions 3a and 4a; 125.17, subdivisions 2a and 3a; 126.02; 126.025; 126.031; 126.06; 126.08; 126.09; 126.111; 126.112; 126.12, subdivision 2; 126.20, subdivision 4; 126.24; 126.268; 126.662; 126.663; 126.664; 126.665; 126.666; 126.67; 126.68; 126A.01; 126A.02; 126A.03; 126A.04; 126A.05; 126A.07; 126A.08; 126A.09; 126A.10; 126A.11; and 126A.12; Laws 1991, chapter 265, article 4, section 29; Laws 1991, chapter 256, article 8, section 14, as amended by Laws 1992, chapter 499, article 7, section 14; Laws 1991, chapter 265, article 1, section 30; Laws 1991, chapter 265, article 2, section 19.

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

Page 22, line 22, delete “.114” and insert “.145”

Page 35, after line 35, insert:

“Sec. 38. Minnesota Statutes 1992, section 298.28, subdivision 4, is amended to read:

Subd. 4. [SCHOOL DISTRICTS.] (a) 27.5 cents per taxable ton plus the increase provided in paragraph (d) must be allocated to qualifying school districts to be distributed, based upon the certification of the commissioner of revenue, under paragraphs (b) and (c).

(b) 5.5 cents per taxable ton must be distributed to the school districts in which the lands from which taconite was mined or quarried were located or within which the concentrate was produced. The distribution must be based on the apportionment formula prescribed in subdivision 2.

(c)(i) 22 cents per taxable ton, less any amount distributed under paragraph (e), shall be distributed to a group of school districts comprised of those school districts in which the taconite was mined or quarried or the concentrate produced or in which there is a qualifying municipality as defined by section 273.134 in direct proportion to school district indexes as follows: for each school district, its pupil units determined under section 124.17 for the ~~prior~~ *second previous* school year shall be multiplied by the ratio of the average adjusted net tax capacity per pupil unit for school districts receiving aid under this clause as calculated pursuant to chapter 124A for the school year ending prior to distribution to the adjusted net tax capacity per pupil unit of the district. Each district shall receive that portion of the distribution which its index bears to the sum of the indices for all school districts that receive the distributions.

(ii) Notwithstanding clause (i), each school district that receives a distribution under sections 298.018; 298.23 to 298.28, exclusive of any amount received under this clause; 298.34 to 298.39; 298.391 to 298.396; 298.405;

or any law imposing a tax on severed mineral values that is less than the amount of its levy reduction under section 124.918, subdivision 8, for the second year prior to the year of the distribution shall receive a distribution equal to the difference; the amount necessary to make this payment shall be derived from proportionate reductions in the initial distribution to other school districts under clause (i).

(d) On July 15, in years prior to 1988, an amount equal to the increase derived by increasing the amount determined by paragraph (c) in the same proportion as the increase in the steel mill products index over the base year of 1977 as provided in section 298.24, subdivision 1, clause (a), shall be distributed to any school district described in paragraph (c) where a levy increase pursuant to section 124A.03, subdivision 2, is authorized by referendum, according to the following formula: On July 15, 1988, the increase over the amount established for 1987 shall be determined as if there had been an increase in the tax rate under section 298.24, subdivision 1, paragraph (b), according to the increase in the implicit price deflator. On July 15, 1989, 1990, and 1991, the increase over the amount established for the prior year shall be determined according to the increase in the implicit price deflator as provided in section 298.24, subdivision 1, paragraph (a). In 1992 and 1993, the amount distributed per ton shall be the same as that determined for distribution in 1991. In 1994, the amount distributed per ton shall be equal to the amount per ton distributed in 1991 increased in the same proportion as the increase between the fourth quarter of 1988 and the fourth quarter of 1992 in the implicit price deflator as defined in section 298.24, subdivision 1. On July 15, 1995, and subsequent years, and subsequent years, an amount equal to the increase derived by increasing the amount determined by paragraph (c) shall be distributed to any school district described in paragraph (c) where a levy increase pursuant to section 124A.03, subdivision 2, is authorized by referendum according to the following formula, the increase over the amount established for the prior year shall be determined according to the increase in the implicit price deflator as provided in section 298.24, subdivision 1, paragraph (a). Each district shall receive the product of:

(i) \$175 times the pupil units identified in section 124.17, subdivision 1, enrolled in the second previous year or the 1983-1984 school year, whichever is greater, less the product of 1.8 percent times the district's taxable net tax capacity in the second previous year; times

(ii) the lesser of:

(A) one, or

(B) the ratio of the sum of the amount certified pursuant to section 124A.03, subdivision 1g, in the previous year, plus the amount certified pursuant to section 124A.03, subdivision 1i, in the previous year, plus the referendum aid according to section 124A.03, subdivision 1h, for the current year, to the product of 1.8 percent times the district's taxable net tax capacity in the second previous year.

If the total amount provided by paragraph (d) is insufficient to make the payments herein required then the entitlement of \$175 per pupil unit shall be reduced uniformly so as not to exceed the funds available. Any amounts received by a qualifying school district in any fiscal year pursuant to paragraph (d) shall not be applied to reduce general education aid which the district receives pursuant to section 124A.23 or the permissible levies of the district. Any amount remaining after the payments provided in this paragraph

shall be paid to the commissioner of iron range resources and rehabilitation who shall deposit the same in the taconite environmental protection fund and the northeast Minnesota economic protection trust fund as provided in subdivision 11.

Each district receiving money according to this paragraph shall reserve \$25 times the number of pupil units in the district. It may use the money for early childhood programs or for outcome-based learning programs that enhance the academic quality of the district's curriculum. The outcome-based learning programs must be approved by the commissioner of education.

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

Sec. 39. Minnesota Statutes 1992, section 354A.12, subdivision 2, is amended to read:

Subd. 2. [RETIRED CONTRIBUTION LEVY DISALLOWED.] (a) Notwithstanding any law to the contrary, *except as provided in paragraph (b)*, levies for teachers retirement fund associations in cities of the first class, including levies for any employer social security taxes for teachers covered by the Duluth teachers retirement fund association or the Minneapolis teachers retirement fund association or the St. Paul teachers retirement fund association, are disallowed.

(b) If the employer retirement fund contributions under subdivision 2a or any other subdivision of this section are increased by an enactment of the 1993 legislature, the applicable school district may levy in payable 1994 or later an amount equal to the amount derived by applying the net increased employer retirement fund contribution rate of the respective teacher retirement fund association to the total covered payroll of the applicable teacher retirement fund association expected for the year in which the levy is payable. The revenue from any levy under this paragraph must be transferred to the applicable teacher retirement fund association."

Page 36, line 23, delete "CORRECTIONS" and insert "CORRECTION"

Page 36, delete lines 24 to 36

Page 37, line 1, delete "Subd. 3." and insert "Subdivision 1."

Page 37, delete lines 6 to 8

Page 37, line 9, delete "5" and insert "2"

Page 37, line 12, delete "subdivisions 1 and 3" and insert "subdivision 1"

Page 37, line 31, delete "38" and insert "37 and 40"

Renumber the sections of article 1 in sequence

Page 105, line 10, delete "135" and insert "\$135"

Page 105, line 14, delete "100" and insert "\$100"

Page 105, line 22, delete "120" and insert "\$120"

Page 105, line 25, delete "100" and insert "\$100"

Page 105, line 31, delete "50" and insert "\$50"

Page 147, line 12, reinstate the stricken language and delete the new language

Page 148, line 2, reinstate the stricken language and delete the new language

Page 148, line 23, after the period, insert "*A district that is a member of an intermediate school district organized pursuant to chapter 136D may not access revenue under this section.*"

Page 148, line 30, delete "(a) A district that"

Page 148, delete lines 31 to 34

Page 148, line 35, delete "(b)" and delete "*that is not a member of*" and insert "*other than*"

Page 154, line 32, delete "124.2727, subdivisions 6 and 7;"

Page 215, line 15, delete "\$7,334,000" and insert "\$8,664,000"

Page 215, line 16, delete "\$7,567,000" and insert "\$7,802,000"

Page 215, line 18, delete "\$6,432,000" and insert "\$7,762,000"

Page 215, line 19, delete "\$1,135,000" and insert "\$1,370,000"

Page 242, line 30, delete "\$14,297,000" and insert "\$14,292,000"

Amend the title as follows:

Page 2, line 24, after the semicolon, insert "298.28, subdivision 4; 354A.12, subdivision 2;"

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

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

S.F. No. 1619: A bill for an act relating to natural resources; resolving claims raised by the Mille Lacs Band of Chippewa Indians regarding hunting, fishing, and gathering rights under treaty; non-band harvest under band permit; authority to transfer land; compensation to counties; condemnation authority; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 97A.

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

Delete everything after the enacting clause and insert:

"Section 1. [97A.159] [1837 TREATY AREA AGREEMENT.]

Subdivision 1. [PURPOSE.] The purpose of this section is to resolve issues in dispute between the state of Minnesota and the Mille Lacs Band of Chippewa Indians that relate to hunting, fishing, and gathering in the ceded area described in the July 29, 1837, treaty between the Chippewa and the government of the Statutes at Large, volume 7, page 536. This treaty was proclaimed by the United States on June 15, 1838. The recognition of certain rights claimed by the band under this treaty has been sought in a civil action brought in the United States District Court for the District of Minnesota,

Fourth Division, entitled Mille Lacs Band of Chippewa Indians, et al. v. State of Minnesota, et al., Civ. No. 4-90-605. The state desires to settle all outstanding matters relating to this dispute under the 1837 treaty as well as all issues arising from the band's rights to fish in the waters of Mille Lacs lake under the treaty made February 22, 1855, and proclaimed by the United States on April 7, 1855, Statutes at Large, volume 10, page 1165.

Subd. 2. [DEFINITIONS.] (a) The definitions in this subdivision apply to this section.

(b) "Amended settlement agreement" means the original settlement agreement as amended in accordance with subdivision 3.

(c) "Band" means the Mille Lacs Band of Chippewa Indians.

(d) "Band conservation code" means the band conservation code as defined in the original settlement agreement.

(e) "Harvest" means harvest as defined in the original settlement agreement.

(f) "Minnesota ceded territory" means the Minnesota ceded territory as defined in the original settlement agreement.

(g) "Original settlement agreement" means the document entitled "Settlement Agreement Between the Mille Lacs Band of Chippewa Indians and the State of Minnesota Regarding Treaty Hunting, Fishing, and Gathering Rights" on file and of record in the United States District Court for the District of Minnesota, Fourth Division, in the action entitled Mille Lacs Band of Chippewa Indians, et al. v. State of Minnesota, et al., Civ. No. 4-90-605.

(h) "Treaty fishing zone" or "zone" means the treaty fishing zone in Mille Lacs lake as defined in the original settlement agreement.

Subd. 3. [AUTHORITY TO ENTER INTO AMENDED SETTLEMENT AGREEMENT.] (a) The legislature authorizes the commissioner to enter into an amended settlement agreement with the Mille Lacs Band of Chippewa Indians consisting of the provisions of the original settlement agreement, as amended in accordance with paragraph (b).

(b) The amended settlement agreement must provide that:

(1) the treaty fishing zone exists solely to delineate the area of Mille Lacs lake in which the band may harvest game fish by spearing and netting in accordance with the band conservation code and does not affect activities of nonband members in the zone;

(2) the annual band harvest of game fish by spearing and netting in the treaty fishing zone is limited to seven percent of the total annual harvest of fish by species in Mille Lacs lake;

(3) 7,500 additional acres of public land will be transferred to the United States in trust for the band, for a total of 15,000 acres;

(4) before agreeing to the substitution of other waters for those specified in part IV, section B, paragraph 4, subparagraph c, of the original settlement agreement, relating to netting and spearing of game fish by band members, the commissioner shall consult with the affected counties and with the chairs of the standing committees of the legislature having jurisdiction over natural resources;

(5) it is not the intent, through the amended settlement agreement, to either recognize or deny the present validity of the boundaries of the band's reservation as established by the treaty of February 22, 1855;

(6) it is not the intent, through the amended settlement agreement, to recognize, deny, or in any way alter the rights, if any, of any other signatory of the treaty of July 29, 1837; and

(7) the state and the band have until August 31, 1993, to ratify the amended settlement agreement.

Subd. 4. [NONBAND HARVEST UNDER BAND PERMIT.] In addition to existing nonband member harvest under state law, nonband members may harvest natural resources in the Minnesota ceded territory as permitted by the amended settlement agreement and the band conservation code.

Subd. 5. [CONSTITUTIONALITY OF SETTLEMENT AGREEMENT REQUIRED.] The legislature intends that the amended settlement agreement conform with all state and federal constitutional requirements and federal and state law. The attorney general shall approve and certify that the amended settlement agreement complies with substantive and procedural state and federal constitutional requirements and federal and state law before the amended settlement agreement is submitted to the federal district court.

Subd. 6. [COMMISSIONER'S POWERS AND DUTIES.] (a) Notwithstanding any other law to the contrary, the commissioner on behalf of the state, shall take all actions, by rule or otherwise, necessary to carry out the duties and obligations of the state arising from the amended settlement agreement whether or not specifically enumerated in this section.

(b) Powers of the commissioner granted in paragraph (a) include the following:

(1) the implementation of the treaty rights of the band and its members to hunt, fish, and gather wild rice within the areas described in the amended settlement agreement, together with exemption from related possession and transportation laws, to the extent necessary to effectuate the terms of the amended settlement agreement;

(2) the establishment of policies, procedures, and rules for the enforcement by conservation officers of the band conservation code to the extent necessary to effectuate the terms of the amended settlement agreement;

(3) the conveyance of 15,000 acres of state land, including any interests in minerals owned by the state located thereon, to the band as provided in the amended settlement agreement;

(4) the acquisition, in accordance with subdivision 8, of resorts in the vicinity of the treaty fishing zone, and the retention, management, and resale of the acquired resorts;

(5) the condemnation of fee title, including mineral interests owned by the state, to state public lands as defined by chapter 92 for the purpose of conveying lands under the amended settlement agreement;

(6) upon request by a county, compensation of the county for the fair market value of lands or interests in land owned or managed by the county that are conveyed under clause (3); and

(7) upon request by a county, and within the limits of money appropriated for the purpose, compensation of the county for law enforcement and other costs incurred as a result of implementation of the amended settlement agreement, provided the commissioner determines the costs are reasonable.

Subd. 7. [AUTHORITY TO CONVEY CERTAIN LANDS; PAYMENTS IN LIEU OF TAXES.] (a) Notwithstanding any other law to the contrary, the commissioner may convey to the band, under subdivision 6, paragraph (b), clause (3), lands acquired under chapter 282; lands owned in fee; lands owned in trust for local taxing districts; school trust lands; and university trust lands. When lands under the jurisdiction of the commissioner of revenue are selected, the commissioner of revenue shall convey title to those lands. Not more than 15 percent of the total lands transferred may be lands that are held in trust for local taxing districts and administered by the counties.

(b) The commissioner shall continue to make payments in accordance with sections 97A.061 and 477A.11 to 477A.13, for lands conveyed under subdivision 6, paragraph (b), clause (3), at the rate for the type of land conveyed.

Subd. 8. [ACQUISITION OF RESORTS.] (a) The acquisition by the commissioner of resorts under subdivision 6, paragraph (b), clause (4), must be carried out in accordance with this subdivision. To qualify to have a resort acquired by the commissioner, the owner of the resort must comply with paragraphs (b) and (c).

(b) The resort owner must demonstrate to the commissioner that:

(1) the resort is riparian to Mille Lacs Lake and is located within section 2, 3, 4, 11, or 12, Township 42 North, Range 27 West, or sections 16, 17, 18, 21, 22, 27, 28, or 33, Township 43 North, Range 27 West;

(2) the resort was commercially operated by the owner in 1992 or 1993;

(3) an audit of the resort's financial statement demonstrates that revenue has substantially diminished as compared with years before 1993; and

(4) the diminishment of revenue is a result of the establishment of the treaty fishing zone in the vicinity of the resort.

(c) A resort owner must give notice of an intent to be considered for eligibility under this section to the commissioner in writing by December 1, 1993, and must submit a written request for acquisition of the resort to the commissioner by July 1, 1998.

(d) The price paid by the commissioner to acquire a resort under this subdivision must be the fair market value as of July 1, 1992, or as of the date of the resort owner's written request for acquisition under paragraph (c), whichever is greater.

(e) The purchase of resorts under this subdivision must be carried out in accordance with established procedures under applicable state and federal law.

(f) Notwithstanding section 477A.12, if the commissioner acquires a resort under this subdivision, the payments under sections 477A.11 to 477A.13 shall be in an amount equal to the taxes payable in 1993.

(g) *The commissioner shall, within three years after the purchase of a resort under this subdivision, either: (1) use the area to provide public access to the lake; or (2) sell the resort. Section 92.45 does not apply to the sale of a resort under this paragraph.*

Subd. 9. [FUTURE APPROPRIATION NEEDS.] The commissioner shall prepare and submit to the governor for inclusion in the budget an itemization of the funds required to implement subdivision 6, paragraph (b), clauses (4) to (7), and subdivision 8.

Sec. 2. [APPROPRIATIONS.]

(a) \$8,600,000 is appropriated from the general fund to the commissioner of natural resources for payment to the Mille Lacs Band of Chippewa Indians.

(b) \$175,000 is appropriated from the general fund to the commissioner of natural resources for fiscal year 1994 and \$317,000 for fiscal year 1995 for land transfer costs under section 1. Any balance not expended in the first year does not cancel and is available for expenditure in the second year.

Sec. 3. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment. Section 2, paragraph (a), is effective 30 days after the effective date of the amended settlement agreement."

Delete the title and insert:

"A bill for an act relating to natural resources; resolving claims raised by the Mille Lacs Band of Chippewa Indians regarding hunting, fishing, and gathering rights under treaty; nonband harvest under band permit; authority to transfer land; compensation to counties; resort acquisition; condemnation authority; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 97A."

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

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

S.F. No. 694: A bill for an act relating to drivers' licenses; allowing use of results of preliminary screening test of driver's breath to be used in actions for driver's license reinstatement; clarifying administrative revocation penalties; amending Minnesota Statutes 1992, sections 169.121, subdivisions 4 and 6; and 171.166, subdivision 3.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 168.042, subdivision 2, is amended to read:

Subd. 2. [VIOLATION; ISSUANCE OF IMPOUNDMENT ORDER.] The commissioner shall issue a registration plate impoundment order when:

(1) a person's driver's license or driving privileges are revoked for a third violation, as defined in subdivision 1, paragraph (c), clause (1), within five

years or a fourth or subsequent violation, as defined in subdivision 1, paragraph (c), clause (1), within 15 years; ~~or~~

(2) *a person's driver's license or driving privileges are revoked for a violation of section 169.121, subdivision 3, paragraph (c), clause (4), within five years of one previous violation or within 15 years of two or more previous violations, as defined in subdivision 1, paragraph (c), clause (1); or*

(3) a person is arrested for or charged with a violation described in subdivision 1, paragraph (c), clause (2) or (3).

The order shall require the impoundment of the registration plates of the vehicle involved in the violation and all vehicles owned by, registered, or leased in the name of the violator, including vehicles registered jointly or leased in the name of the violator and another. An impoundment order shall not be issued for the registration plates of a rental vehicle as defined in section 168.041, subdivision 10, or a vehicle registered in another state.

Sec. 2. Minnesota Statutes 1992, section 169.121, subdivision 1, is amended to read:

Subdivision 1. [CRIME.] It is a crime for any person to drive, operate, or be in physical control of any motor vehicle within this state or upon the ice of any boundary water of this state:

(a) when the person is under the influence of alcohol;

(b) when the person is under the influence of a controlled substance, as defined in section 152.01, subdivision 4;

(c) when the person is under the influence of a combination of any two or more of the elements named in clauses (a), (b), and (f);

(d) when the person's alcohol concentration is ~~0.10~~ *at the per se level or more higher*;

(e) when the person's alcohol concentration as measured within two hours of the time of driving is ~~0.10~~ *at the per se level or more higher*; or

(f) when the person is knowingly under the influence of any chemical compound or combination of chemical compounds that is listed as a hazardous substance in rules adopted under section 182.655 and that affects the nervous system, brain, or muscles of the person so as to substantially impair the person's ability to drive or operate the motor vehicle.

Sec. 3. Minnesota Statutes 1992, section 169.121, subdivision 2, is amended to read:

Subd. 2. [EVIDENCE.] Upon the trial of any prosecution arising out of acts alleged to have been committed by any person arrested for driving, operating, or being in physical control of a motor vehicle in violation of subdivision 1, the court may admit evidence of the amount of alcohol or a controlled substance in the person's blood, breath, or urine as shown by an analysis of those items.

For the purposes of this subdivision:

(a) evidence that there was at the time an alcohol concentration of ~~0.05~~ *or less than one-half the per se level* is prima facie evidence that the person was not under the influence of alcohol;

(b) evidence that there was at the time an alcohol concentration of ~~more than 0.05 and at or exceeding one-half the per se level~~ but less than ~~0.10 the per se level~~ is relevant evidence in indicating whether or not the person was under the influence of alcohol.

Evidence of the refusal to take a test is admissible into evidence in a prosecution under this section or an ordinance in conformity with it.

If proven by a preponderance of the evidence, it shall be an affirmative defense to a violation of subdivision 1, clause (e), that the defendant consumed a sufficient quantity of alcohol after the time of actual driving, operating, or physical control of a motor vehicle and before the administration of the evidentiary test to cause the defendant's alcohol concentration to *equal or exceed 0.10 the per se level*. Provided, that this evidence may not be admitted unless notice is given to the prosecution prior to the omnibus or pretrial hearing in the matter.

The foregoing provisions do not limit the introduction of any other competent evidence bearing upon the question whether or not the person violated this section, including tests obtained more than two hours after the alleged violation and results obtained from partial tests on an infrared breath-testing instrument. A result from a partial test is the measurement obtained by analyzing one adequate breath sample, as defined in section 169.123, subdivision 2b, paragraph (b).

Sec. 4. Minnesota Statutes 1992, section 169.121, subdivision 3, is amended to read:

Subd. 3. [CRIMINAL PENALTIES.] (a) As used in this subdivision:

(1) "prior impaired driving conviction" means a prior conviction under this section; section 84.91, subdivision 1, paragraph (a); 86B.331, subdivision 1, paragraph (a); 169.129; 360.0752; 609.21, subdivision 1, clauses (2) to (4); 609.21, subdivision 2, clauses (2) to (4); 609.21, subdivision 2a, clauses (2) to (4); 609.21, subdivision 3, clauses (2) to (4); 609.21, subdivision 4, clauses (2) to (4); or an ordinance from this state, or a statute or ordinance from another state in conformity with any of them. A prior impaired driving conviction also includes a prior juvenile adjudication that would have been a prior impaired driving conviction if committed by an adult; and

(2) "prior license revocation" means a driver's license suspension, revocation, or cancellation under this section; section 169.123; 171.04; 171.14; 171.16; 171.17; or 171.18 because of an alcohol-related incident; 609.21, subdivision 1, clauses (2) to (4); 609.21, subdivision 2, clauses (2) to (4); 609.21, subdivision 2a, clauses (2) to (4); 609.21, subdivision 3, clauses (2) to (4); or 609.21, subdivision 4, clauses (2) to (4).

(b) A person who violates subdivision 1 or 1a, or an ordinance in conformity with either of them, is guilty of a misdemeanor.

(c) A person is guilty of a gross misdemeanor under any of the following circumstances:

(1) the person violates subdivision 1 within five years of a prior impaired driving conviction, or within ten years of the first of two or more prior impaired driving convictions;

(2) the person violates subdivision 1a within five years of a prior license revocation, or within ten years of the first of two or more prior license revocations; or

(3) the person violates section 169.26 while in violation of subdivision 1; or

(4) *the person violates subdivision 1 while a child under the age of 16 is in the vehicle, if the child is more than 36 months younger than the violator.*

(d) The attorney in the jurisdiction in which the violation occurred who is responsible for prosecution of misdemeanor violations of this section shall also be responsible for prosecution of gross misdemeanor violations of this section.

When an attorney responsible for prosecuting gross misdemeanors under this section requests criminal history information relating to prior impaired driving convictions from a court, the court must furnish the information without charge.

Sec. 5. Minnesota Statutes 1992, section 169.121, subdivision 4, is amended to read:

Subd. 4. [ADMINISTRATIVE PENALTIES.] (a) The commissioner of public safety shall revoke the driver's license of a person convicted of violating this section or an ordinance in conformity with it as follows:

(1) first offense under subdivision 1: not less than 30 days;

(2) first offense under subdivision 1a: not less than 90 days;

(3) second offense in less than five years: ~~(i) if the current conviction is for a violation of subdivision 1, not less than 180 days one year and until the court has certified that treatment or rehabilitation has been successfully completed where prescribed in accordance with section 169.126; or (ii) if the current conviction is for a violation of subdivision 1a, not less than one year and until the court has certified that treatment or rehabilitation has been successfully completed where prescribed in accordance with section 169.126;~~

(4) third offense in less than five years: not less than one year, together with denial under section 171.04, subdivision 1, clause (8), until rehabilitation is established in accordance with standards established by the commissioner;

(5) fourth or subsequent offense on the record: not less than two years, together with denial under section 171.04, subdivision 1, clause (8), until rehabilitation is established in accordance with standards established by the commissioner.

(b) If the person convicted of violating this section is under the age of 18 years, the commissioner of public safety shall revoke the offender's driver's license or operating privileges until the offender reaches the age of 18 years or for a period of six months or for the appropriate period of time under paragraph (a), clauses (1) to (5), for the offense committed, whichever is the greatest period.

(c) For purposes of this subdivision, a juvenile adjudication under this section, section 169.129, an ordinance in conformity with either of them, or a statute or ordinance from another state in conformity with either of them is an offense.

(d) Whenever department records show that the violation involved personal injury or death to any person, not less than 90 additional days shall be added to the base periods provided above.

(e) *Except for a person whose license has been revoked under paragraph (b), any person whose license has been revoked pursuant to section 169.123 as the result of the same incident, and who does not have a prior impaired driving conviction or prior license revocation as defined in subdivision 3 within the previous ten years is subject to the mandatory revocation provisions of paragraph (a), clause (1) or (2), in lieu of the mandatory revocation provisions of section 169.123.*

Sec. 6. Minnesota Statutes 1992, section 169.121, subdivision 6, is amended to read:

Subd. 6. [PRELIMINARY SCREENING TEST.] When a peace officer has reason to believe from the manner in which a person is driving, operating, controlling, or acting upon departure from a motor vehicle, or has driven, operated, or controlled a motor vehicle, that the driver may be violating or has violated subdivision 1 or section 169.1211 or 169.1213, the officer may require the driver to provide a sample of the driver's breath for a preliminary screening test using a device approved by the commissioner of public safety for this purpose. The results of this preliminary screening test shall be used for the purpose of deciding whether an arrest should be made and whether to require the tests authorized in section 169.123, but shall not be used in any court action except (1) to prove that a test was properly required of a person pursuant to section 169.123, subdivision 2; or (2) in a civil action arising out of the operation or use of the motor vehicle. Following the screening test additional tests may be required of the driver pursuant to the provisions of section 169.123.

The driver who refuses to furnish a sample of the driver's breath is subject to the provisions of section 169.123 unless, in compliance with section 169.123, the driver submits to a blood, breath or urine test to determine the presence of alcohol or a controlled substance.

Sec. 7. Minnesota Statutes 1992, section 169.121, subdivision 8, is amended to read:

Subd. 8. [CHEMICAL USE ASSESSMENT.] When the evidentiary test shows an alcohol concentration of ~~0.07 or more~~ *at or exceeding one-half the per se level*, that result shall be reported to the commissioner of public safety. The commissioner shall record that fact on the driver's record. When the driver's record shows a second or subsequent report of an alcohol concentration of ~~0.07 or more~~ *at or exceeding one-half the per se level* within two years of a recorded report, the commissioner may require that the driver have a chemical use assessment meeting the commissioner's requirements. The assessment shall be at the driver's expense. In no event shall the commissioner deny the license of a person who refuses to take the assessment or to undertake treatment, if treatment is indicated by the assessment, for longer than 90 days. If an assessment is made pursuant to this section, the commissioner may waive the assessment required by section 169.126.

Sec. 8. Minnesota Statutes 1992, section 169.121, subdivision 10a, is amended to read:

Subd. 10a. [CIVIL ACTION; PUNITIVE DAMAGES.] In a civil action involving a motor vehicle accident, evidence that the accident was caused by a driver (1) with a blood alcohol concentration of ~~10 or more~~ *at or exceeding the per se level*, (2) who was under the influence of a controlled substance, or (3) who was under the influence of alcohol and refused to take a test required under section 169.123, subdivision 2, is sufficient for the trier of fact to consider an award of punitive damages. A criminal charge or conviction is not a prerequisite to consideration of punitive damages under this subdivision. At the trial in an action where the trier of fact will consider an award of punitive damages, evidence that the driver has been convicted of violating this section, section 169.129, or 609.21 is admissible into evidence.

Sec. 9. Minnesota Statutes 1992, section 169.121, is amended by adding a subdivision to read:

Subd. 12. [DEFINITION; PER SE LEVEL.] *As used in this section, "per se level" means an alcohol concentration of 0.10.*

Sec. 10. [169.1213] [ALCOHOL-RELATED DRIVING BY A PERSON UNDER THE AGE OF 21 YEARS.]

Subdivision 1. [CRIME.] *It is a misdemeanor for any person under the age of 21 years to drive, operate, or be in physical control of any motor vehicle within this state or upon the ice of any boundary water of this state when:*

(1) *the person's alcohol concentration is 0.02 or more and less than the per se level; or*

(2) *the person's alcohol concentration as measured within two hours of the time of driving is 0.02 or more and less than the per se level.*

Subd. 2. [ARREST.] *A peace officer may lawfully arrest a person for violation of subdivision 1 without a warrant upon probable cause, without regard to whether the violation was committed in the officer's presence.*

When a peace officer has probable cause to believe that a person is violating subdivision 1, and before a stop or arrest can be made the person escapes from the geographical limits of the officer's jurisdiction, the officer in fresh pursuit of the person may stop or arrest the person in another jurisdiction within this state and may exercise the powers and perform the duties of a peace officer under this section and sections 169.121 and 169.123. An officer acting in fresh pursuit under this subdivision is serving in the regular line of duty as fully as though within the officer's jurisdiction.

The express grant of arrest powers in this subdivision does not limit the arrest powers of peace officers under sections 626.65 to 626.70 or section 629.40 in cases of arrests for violation of subdivision 1 or any other provision of law.

Subd. 3. [EVIDENCE.] (a) *Upon the trial of any prosecution arising out of acts alleged to have been committed by any person arrested for violating subdivision 1, the court may admit evidence of the amount of alcohol in the person's blood, breath, or urine as shown by an analysis of those items.*

(b) *If proven by a preponderance of the evidence, it shall be an affirmative defense to a violation of subdivision 1, clause (2), that the defendant consumed a sufficient quantity of alcohol after the time of the violation and before the administration of the evidentiary test to cause the defendant's alcohol concentration to exceed 0.02. This evidence may not be admitted*

unless notice is given to the prosecution prior to the omnibus or pretrial hearing in the matter.

(c) Paragraphs (a) and (b) do not limit the introduction of any other competent evidence bearing upon the question whether the person violated this section, including tests obtained more than two hours after the alleged violation and results obtained from partial tests on an infrared breath-testing instrument. A result from a partial test is the measurement obtained by analyzing one adequate breath sample, as defined in section 169.123, subdivision 2b, paragraph (b).

Subd. 4. [ADMINISTRATIVE PENALTY.] Upon receipt of a record of conviction or adjudication for a violation of this section, the commissioner of public safety shall suspend a person's driving privileges for 30 days for the first conviction or adjudication under this section and for 180 days for the second or subsequent conviction or adjudication under this section.

Sec. 11. Minnesota Statutes 1992, section 169.1217, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] As used in this section, the following terms have the meanings given them:

(a) "Appropriate authority" means a law enforcement agency that has the authority to make an arrest for a violation of a designated offense.

(b) "Designated offense" includes a violation of section 169.121, an ordinance in conformity with it, or 169.129:

(1) within five years of three prior driving under the influence convictions or three prior license revocations based on separate incidents;

(2) within 15 years of the first of four or more prior driving under the influence convictions or the first of four or more prior license revocations based on separate incidents;

(3) by a person whose driver's license or driving privileges have been canceled under section 171.04, subdivision 1, clause (8); or

(4) by a person who is subject to a restriction on the person's driver's license under section 171.09 which provides that the person may not use or consume any amount of alcohol or a controlled substance.

"Designated offense" also includes a violation of section 169.121, subdivision 3, paragraph (c), clause (4):

(1) within five years of two prior driving under the influence convictions or two prior license revocations based on separate incidents; or

(2) within 15 years of the first of three or more prior driving under the influence convictions or the first of three or more prior license revocations based on separate incidents.

(c) "Motor vehicle" and "vehicle" have the meaning given "motor vehicle" in section 169.121, subdivision 11. The terms do not include a vehicle which is stolen or taken in violation of the law.

(d) "Owner" means the registered owner of the motor vehicle according to records of the department of public safety and includes a lessee of a motor vehicle if the lease agreement has a term of 180 days or more.

(e) "Prior driving under the influence conviction" means a prior conviction under section 169.121; 169.129; or 609.21; subdivision 1, clauses (2) to (4); 2, clauses (2) to (4); 2a, clauses (2) to (4); 3, clauses (2) to (4); or 4, clauses (2) to (4); or an ordinance from this state, or a statute or ordinance from another state in conformity with any of them. A prior driving under the influence conviction also includes a prior juvenile adjudication that would have been a prior driving under the influence conviction if committed by an adult.

(f) "Prior license revocation" has the meaning given it in section 169.121, subdivision 3.

(g) "Prosecuting authority" means the attorney in the jurisdiction in which the designated offense occurred who is responsible for prosecuting violations of a designated offense.

Sec. 12. Minnesota Statutes 1992, section 169.123, subdivision 2, is amended to read:

Subd. 2. [IMPLIED CONSENT; CONDITIONS; ELECTION OF TEST.]

(a) Any person who drives, operates, or is in physical control of a motor vehicle within this state or upon the ice of any boundary water of this state consents, subject to the provisions of this section and ~~section sections~~ 169.121, 169.1211, and 169.1213, to a chemical test of that person's blood, breath, or urine for the purpose of determining the presence of alcohol or a controlled substance. The test shall be administered at the direction of a peace officer. The test may be required of a person when an officer has probable cause to believe the person was driving, operating, or in physical control of a motor vehicle in violation of section 169.121 and one of the following conditions exist:

(1) the person has been lawfully placed under arrest for violation of section 169.121, or an ordinance in conformity with it;

(2) the person has been involved in a motor vehicle accident or collision resulting in property damage, personal injury, or death;

(3) the person has refused to take the screening test provided for by section 169.121, subdivision 6; or

(4) the screening test was administered and indicated an alcohol concentration of ~~0.10 or more~~ *at or exceeding the per se level*.

The test may also be required of a person when an officer has probable cause to believe the person was driving, operating, or in physical control of a commercial motor vehicle, *or the person is under the age of 21 years and was driving, operating, or in physical control of a motor vehicle*, with the presence of any alcohol.

(b) At the time a test is requested, the person shall be informed:

(1) that Minnesota law requires the person to take a test to determine if the person is under the influence of alcohol or a controlled substance or, if the motor vehicle was a commercial motor vehicle *or if the person is under the age of 21 years*, that Minnesota law requires the person to take a test to determine the presence of alcohol;

(2) that refusal to take a test is a crime;

(3) if the peace officer has probable cause to believe the person has violated the criminal vehicular homicide and injury laws, that a test will be taken with or without the person's consent; and

(4) that the person has the right to consult with an attorney, but that this right is limited to the extent that it cannot unreasonably delay administration of the test.

(c) The peace officer who requires a test pursuant to this subdivision may direct whether the test shall be of blood, breath, or urine. Action may be taken against a person who refuses to take a blood test only if an alternative test was offered and action may be taken against a person who refuses to take a urine test only if an alternative test was offered.

Sec. 13. Minnesota Statutes 1992, section 169.123, subdivision 4, is amended to read:

Subd. 4. [REFUSAL; REVOCATION OF LICENSE.] If a person refuses to permit a test, none shall be given, but the peace officer shall report the refusal to the commissioner of public safety and the authority having responsibility for prosecution of misdemeanor offenses for the jurisdiction in which the acts occurred. However, if a peace officer has probable cause to believe that the person has violated section 609.21, a test may be required and obtained despite the person's refusal. A refusal to submit to an alcohol concentration test does not constitute a violation of section 609.50, unless the refusal was accompanied by force or violence or the threat of force or violence. If a person submits to a test and the test results indicate an alcohol concentration of ~~0-10 or more~~ *at or exceeding the per se level*, or if a person was driving, operating, or in physical control of a commercial motor vehicle and the test results indicate an alcohol concentration of 0.04 or more, the results of the test shall be reported to the commissioner of public safety and to the authority having responsibility for prosecution of misdemeanor offenses for the jurisdiction in which the acts occurred. *If the person is under the age of 21 years and submits to a test and the test results indicate an alcohol concentration of 0.02 or more and less than the per se level, the test results shall be reported to the authority having responsibility for prosecution of misdemeanor offenses for the jurisdiction in which the acts occurred.*

Upon certification by the peace officer that there existed probable cause to believe the person *has violated section 169.121 or is under the age of 21 years* and had been driving, operating, or in physical control of a motor vehicle ~~while under the influence with the presence of any alcohol or a controlled substance~~, and that the person refused to submit to a test, the commissioner of public safety shall revoke the person's license or permit to drive, or nonresident operating privilege, for a period of one year even if a test was obtained pursuant to this section after the person refused to submit to testing. Upon certification by the peace officer that there existed probable cause to believe the person had been driving, operating, or in physical control of a commercial motor vehicle with the presence of any alcohol and that the person refused to submit to a test, the commissioner shall disqualify the person from operating a commercial motor vehicle for a period of one year under section 171.165 and shall revoke the person's license or permit to drive or nonresident operating privilege for a period of one year. ~~If the person refusing to submit to testing is under the age of 18 years, the commissioner shall revoke the person's license or permit to drive, or nonresident operating privilege, for a period of one year or until the person reaches the age of 18 years, whichever~~

is greater. Upon certification by the peace officer that there existed probable cause to believe the person had been driving, operating or in physical control of a motor vehicle while under the influence of alcohol or a controlled substance and that the person submitted to a test and the test results indicate an alcohol concentration of 0.10 or more at or exceeding the per se level, the commissioner of public safety shall revoke the person's license or permit to drive, or nonresident operating privilege, for: (1) a period of 90 180 days; or (2) if the person is under the age of 18 21 years, for a period of six months or until the person reaches the age of 18 years, whichever is greater; or (3) if the person's driver's license or driving privileges have been previously revoked within the past five years under this section or section 169.121, for a period of 180 days one year. On certification by the peace officer that there existed probable cause to believe the person had been driving, operating, or in physical control of a commercial motor vehicle with any presence of alcohol and that the person submitted to a test and the test results indicated an alcohol concentration of 0.04 or more, the commissioner of public safety shall disqualify the person from operating a commercial motor vehicle under section 171.165.

If the person is a resident without a license or permit to operate a motor vehicle in this state, the commissioner of public safety shall deny to the person the issuance of a license or permit for the same period after the date of the alleged violation as provided herein for revocation, subject to review as hereinafter provided.

Sec. 14. Minnesota Statutes 1992, section 169.123, subdivision 5a, is amended to read:

Subd. 5a. [PEACE OFFICER AGENT FOR NOTICE OF REVOCATION OR DISQUALIFICATION.] On behalf of the commissioner of public safety a peace officer requiring a test or directing the administration of a chemical test shall serve immediate notice of intention to revoke and of revocation on a person who refuses to permit a test or on a person who submits to a test the results of which indicate an alcohol concentration of 0.10 or more at or exceeding the per se level. On behalf of the commissioner of public safety, a peace officer requiring a test or directing the administration of a chemical test of a person driving, operating, or in physical control of a commercial motor vehicle shall serve immediate notice of intention to disqualify and of disqualification on a person who refuses to permit a test, or on a person who submits to a test the results of which indicate an alcohol concentration of 0.04 or more. The officer shall take the license or permit of the driver, if any, and issue a temporary license effective only for seven days. The peace officer shall send the person's driver's license to the commissioner of public safety along with the certificate required by subdivision 4.

Sec. 15. Minnesota Statutes 1992, section 169.123, subdivision 6, is amended to read:

Subd. 6. [HEARING.] A hearing under this section shall be before a municipal or county judge, in any county in the judicial district where the alleged offense occurred. The hearing shall be to the court and may be conducted at the same time and in the same manner as hearings upon pretrial motions in the criminal prosecution under section 169.121, if any. The hearing shall be recorded. The commissioner of public safety shall appear and be represented by the attorney general or through the prosecuting authority for the jurisdiction involved.

The hearing shall be held at the earliest practicable date, and in any event no later than 60 days following the filing of the petition for review. The judicial district administrator shall establish procedures to ensure efficient compliance with the provisions of this subdivision. To accomplish this, the administrator may, whenever possible, consolidate and transfer review hearings among the county courts within the judicial district.

The scope of the hearing shall be limited to the issues of:

(1) whether the peace officer had probable cause to believe the person was driving, operating, or in physical control of (i) a motor vehicle while under the influence of alcohol or a controlled substance, ~~or~~ (ii) a commercial motor vehicle with any presence of alcohol, ~~or~~ (iii) *a motor vehicle with any presence of alcohol when the person is under the age of 21 years*, and whether the person was lawfully placed under arrest for violation of section 169.121 ~~or~~, 169.1211, ~~or~~ 169.1213, or the person was involved in a motor vehicle accident or collision resulting in property damage, personal injury or death, or the person refused to take a screening test provided for by section 169.121, subdivision 6, or the screening test was administered and recorded an alcohol concentration of 0.10 ~~or more~~ *at or exceeding the per se level*; and

(2) whether at the time of the request for the test the peace officer informed the person of the person's rights and the consequences of taking or refusing the test as required by subdivision 2; and

(3) either (a) whether the person refused to permit the test, or (b) whether a test was taken and the test results indicated an alcohol concentration of 0.10 ~~or more~~ *at or exceeding the per se level* at the time of testing, or if a test was taken by a person driving, operating, or in physical control of a commercial motor vehicle and the test results indicated an alcohol concentration of 0.04 or more at the time of testing; whether the testing method used was valid and reliable; and whether the test results were accurately evaluated.

It shall be an affirmative defense for the petitioner to prove that, at the time of the refusal, the petitioner's refusal to permit the test was based upon reasonable grounds.

Certified or otherwise authenticated copies of laboratory or medical personnel reports, records, documents, licenses and certificates shall be admissible as substantive evidence.

The court shall order that the revocation or disqualification be either rescinded or sustained and forward the order to the commissioner of public safety. The court shall file its order within 14 days following the hearing. If the revocation or disqualification is sustained, the court shall also forward the person's driver's license or permit to the commissioner of public safety for further action by the commissioner of public safety if the license or permit is not already in the commissioner's possession.

Sec. 16. Minnesota Statutes 1992, section 169.123, subdivision 10, is amended to read:

Subd. 10. [TERMINATION OF REVOCATION PERIOD.] If the commissioner receives notice of the driver's attendance at a driver improvement clinic, attendance at counseling sessions, or participation in treatment for an alcohol problem the commissioner may, 30 days prior to the time the revocation period would otherwise expire, terminate the revocation period, *provided that such action does not result in a revocation period of less than*

90 days for a driver's first violation of this section or section 169.121 or of less than one year for the driver's second or subsequent violation of this section or section 169.121. The commissioner shall not terminate the revocation period under this subdivision for a driver who has had a license revoked under section 169.121 or this section for another incident during the preceding three-year period.

Sec. 17. Minnesota Statutes 1992, section 169.123, is amended by adding a subdivision to read:

Subd. 11. [DEFINITION.] For purposes of this section, "per se level" has the meaning given in section 169.121, subdivision 12.

Sec. 18. Minnesota Statutes 1992, section 169.129, is amended to read:

169.129 [AGGRAVATED VIOLATIONS; PENALTY.]

Any person is guilty of a gross misdemeanor who drives, operates, or is in physical control of a motor vehicle, the operation of which requires a driver's license, within this state or upon the ice of any boundary water of this state in violation of section 169.121 or an ordinance in conformity with it before the person's driver's license or driver's privilege has been reinstated following its cancellation, suspension, revocation, or denial under any of the following: section 169.121, 169.1211, 169.1213, or 169.123; section 171.04, 171.14, 171.16, 171.17, or 171.18 because of an alcohol-related incident; section 609.21, subdivision 1, clauses (2) to (4); 609.21, subdivision 2, clauses (2) to (4); 609.21, subdivision 2a, clauses (2) to (4); 609.21, subdivision 3, clauses (2) to (4); or 609.21, subdivision 4, clauses (2) to (4).

Sec. 19. Minnesota Statutes 1992, section 171.30, subdivision 2a, is amended to read:

Subd. 2a. [OTHER WAITING PERIODS.] Notwithstanding subdivision 2, a limited license shall not be issued for a period of:

(1) ~~45~~ 30 days, to a person who submitted to testing under section 169.123 and whose license or privilege has been revoked or suspended for a violation of section 169.121 or 169.123;

(2) 90 days, to a person who ~~submitted~~ refused to submit to testing under section 169.123 if the person's and whose license or privilege has been revoked or suspended for a violation of section 169.121 or 169.123;

(3) one year, to a person whose license or privilege has been revoked or suspended for a second or subsequent violation of section 169.121 or 169.123 within a five-year period; or

(~~3~~) ~~180 days~~ (4) one year, to a person who refused testing under section 169.123 if the person's license or privilege has been revoked or suspended for a second or subsequent violation of section 169.121 or 169.123; or to a person whose license or privilege has been revoked or suspended for commission of the offense of manslaughter resulting from the operation of a motor vehicle or criminal vehicular homicide or injury under section 609.21.

Sec. 20. Minnesota Statutes 1992, section 171.305, subdivision 2, is amended to read:

Subd. 2. [PILOT PROGRAM.] The commissioner shall establish a state-wide pilot program for the use of an ignition interlock device by a person

whose driver's license or driving privilege has been canceled and denied by the commissioner for an alcohol or controlled substance related incident. *The commissioner shall conduct the program until December 31, 1995.* The commissioner shall evaluate the program and shall report to the legislature by February 1, ~~1994~~ 1995, on whether changes in the program are necessary and whether the program should be permanent. No limited license shall be issued under this program after August 1, ~~1993~~ 1995.

Sec. 21. Minnesota Statutes 1992, section 609.21, is amended to read:

609.21 [CRIMINAL VEHICULAR HOMICIDE AND INJURY.]

Subdivision 1. [CRIMINAL VEHICULAR HOMICIDE.] Whoever causes the death of a human being not constituting murder or manslaughter as a result of operating a motor vehicle,

- (1) in a grossly negligent manner;
- (2) in a negligent manner while under the influence of alcohol, a controlled substance, or any combination of those elements;
- (3) while having an alcohol concentration of ~~0.10 or more~~ at or exceeding the per se level; or
- (4) while having an alcohol concentration of ~~0.10 or more~~ at or exceeding the per se level, as measured within two hours of the time of driving,

is guilty of criminal vehicular homicide resulting in death and may be sentenced to imprisonment for not more than ten years or to payment of a fine of not more than \$20,000, or both.

Subd. 2. [RESULTING IN GREAT BODILY HARM.] Whoever causes great bodily harm to another, not constituting attempted murder or assault, as a result of operating a motor vehicle,

- (1) in a grossly negligent manner;
- (2) in a negligent manner while under the influence of alcohol, a controlled substance, or any combination of those elements;
- (3) while having an alcohol concentration of ~~0.10 or more~~ at or exceeding the per se level; or
- (4) while having an alcohol concentration of ~~0.10 or more~~ at or exceeding the per se level, as measured within two hours of the time of driving,

is guilty of criminal vehicular operation resulting in great bodily harm and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both.

Subd. 2a. [RESULTING IN SUBSTANTIAL BODILY HARM.] Whoever causes substantial bodily harm to another, as a result of operating a motor vehicle,

- (1) in a grossly negligent manner;
- (2) in a negligent manner while under the influence of alcohol, a controlled substance, or any combination of those elements;

(3) while having an alcohol concentration of 0.10 or more at or exceeding the *per se* level; or

(4) while having an alcohol concentration of 0.10 or more at or exceeding the *per se* level, as measured within two hours of the time of driving,

is guilty of criminal vehicular operation resulting in substantial bodily harm and may be sentenced to imprisonment for not more than three years or to payment of a fine of not more than \$10,000, or both.

Subd. 3. [RESULTING IN DEATH TO AN UNBORN CHILD.] Whoever causes the death of an unborn child as a result of operating a motor vehicle,

(1) in a grossly negligent manner;

(2) in a negligent manner while under the influence of alcohol, a controlled substance, or any combination of those elements;

(3) while having an alcohol concentration of 0.10 or more at or exceeding the *per se* level; or

(4) while having an alcohol concentration of 0.10 or more at or exceeding the *per se* level, as measured within two hours of the time of driving,

is guilty of criminal vehicular operation resulting in death to an unborn child and may be sentenced to imprisonment for not more than ten years or to payment of a fine of not more than \$20,000, or both. A prosecution for or conviction of a crime under this subdivision is not a bar to conviction of or punishment for any other crime committed by the defendant as part of the same conduct.

Subd. 4. [RESULTING IN INJURY TO UNBORN CHILD.] Whoever causes great bodily harm to an unborn child who is subsequently born alive, as a result of operating a motor vehicle,

(1) in a grossly negligent manner;

(2) in a negligent manner while under the influence of alcohol, a controlled substance, or any combination of those elements;

(3) while having an alcohol concentration of 0.10 or more at or exceeding the *per se* level; or

(4) while having an alcohol concentration of 0.10 or more at or exceeding the *per se* level, as measured within two hours of the time of driving,

is guilty of criminal vehicular operation resulting in injury to an unborn child and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both. A prosecution for or conviction of a crime under this subdivision is not a bar to conviction of or punishment for any other crime committed by the defendant as part of the same conduct.

Subd. 5. [DEFINITION DEFINITIONS.] For purposes of this section, "motor vehicle" has the meaning given in section 609.52, subdivision 1, and "per se level" has the meaning given in section 169.121, subdivision 12.

Sec. 22. [EFFECTIVE DATE.]

Sections 1 to 5, 7 to 12, 14, 15, 17, 18, and 21 are effective August 1, 1993, and apply to crimes committed on or after that date. Sections 16 and 19 are effective January 1, 1994, and apply to violations committed on or after that date. Section 20 is effective the day following final enactment.

Sections 6 and 13 are effective August 1, 1993, and apply to violations committed on or after that date, except that the provisions extending revocation periods are effective January 1, 1994."

Delete the title and insert:

"A bill for an act relating to driving while intoxicated; increasing driver's license revocation periods and restricting issuance of limited licenses to persons convicted of DWI, to comply with federal standards; increasing penalties for driving while intoxicated with a child under 16 in the vehicle; establishing misdemeanor offense of operating a motor vehicle by a minor with alcohol concentration greater than 0.02; providing for implied consent to test minor's blood, breath, or urine and making refusal to take test a crime; amending Minnesota Statutes 1992, sections 168.042, subdivision 2; 169.121, subdivisions 1, 2, 3, 4, 6, 8, 10a, and by adding a subdivision; 169.1217, subdivision 1; 169.123, subdivisions 2, 4, 5a, 6, 10, and by adding a subdivision; 169.129; 171.30, subdivision 2a; 171.305, subdivision 2; and 609.21; proposing coding for new law in Minnesota Statutes, chapter 169."

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

SECOND READING OF SENATE BILLS

S.F. Nos. 878 and 694 were read the second time.

MEMBERS EXCUSED

Ms. Hanson was excused from the Session of today. Mr. Beckman, Mrs. Pariseau and Ms. Krentz were excused from the Session of today from 8:30 to 9:10 a.m. Mr. Laidig was excused from the Session of today from 8:30 to 9:00 a.m. Mr. Mondale was excused from the Session of today from 8:30 a.m. to 1:00 p.m. Messrs. Metzen and Solon were excused from the Session of today from 12:30 to 1:30 p.m. Mr. Knutson was excused from the Session of today from 12:30 to 1:10 p.m. Ms. Wiener and Mr. Betzold were excused from the Session of today from 12:45 to 1:00 p.m. Messrs. Dille, Frederickson and Johnson, D.E. were excused from the Session of today from 2:05 to 2:25 p.m. Messrs. Janezich and Solon were excused from the Session of today at 2:45 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 10:00 a.m., Monday, April 26, 1993. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate