

STATE OF MINNESOTA

# Journal of the Senate

SEVENTY-NINTH LEGISLATURE

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SEVENTY-EIGHTH DAY

St. Paul, Minnesota, Wednesday, February 14, 1996

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

## CALL OF THE SENATE

Mr. Betzold 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. Marilyn Sauer Breckenridge.

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

Anderson	Frederickson	Krentz	Murphy	Robertson
Beckman	Hanson	Laidig	Neuville	Runbeck
Belanger	Hottinger	Langseth	Oliver	Sams
Berg	Janezich	Larson	Olson	Samuelson
Berglin	Johnson, D.E.	Lesewski	Ourada	Scheevel
Betzold	Johnson, D.J.	Lessard	Pappas	Solon
Chandler	Johnson, J.B.	Limmer	Pariseau	Spear
Cohen	Johnston	Marty	Piper	Stevens
Day	Kelly	Merriam	Pogemiller	Stumpf
Dille	Kiscaden	Metzen	Price	Terwilliger
Finn	Kleis	Moe, R.D.	Ranum	Vickerman
Fischbach	Knutson	Mondale	Reichgott Junge	Wiener
Flynn	Kramer	Morse	Riveness	

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 Senate File, herewith returned: S.F. No. 1946.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned February 12, 1996

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 2068, 2509, 2630, 2778, 2783, 2013, 2163, 2411, 2055, 2207, 2044 and 2127.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted February 12, 1996

**FIRST READING OF HOUSE BILLS**

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

**H.F. No. 2068:** A bill for an act relating to highways; designating the POW/MIA Memorial Highway.

Referred to the Committee on Transportation and Public Transit.

**H.F. No. 2509:** A bill for an act relating to public nuisance; clarifying definition of acts constituting a nuisance; amending Minnesota Statutes 1995 Supplement, section 617.81, subdivision 2.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2098.

**H.F. No. 2630:** A bill for an act relating to health; allowing a director of nursing to serve as a licensed nursing home administrator under certain circumstances; amending Minnesota Statutes 1994, section 144A.04, subdivision 5.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2312, now on General Orders.

**H.F. No. 2778:** A bill for an act relating to courts; authorizing a pilot project court combining family, probate, and juvenile court matters in the second judicial district.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2672.

**H.F. No. 2783:** A bill for an act relating to state government; permitting state employees to donate vacation leave for the benefit of a certain state employee.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2532.

**H.F. No. 2013:** A bill for an act relating to human services; modifying the requirements for screening of certain medical assistance recipients; amending Minnesota Statutes 1995 Supplement, section 256B.055, subdivision 12.

Referred to the Committee on Health Care.

**H.F. No. 2163:** A bill for an act relating to motor carriers; prescribing conditions for granting medical waivers to truck drivers; exempting drivers transporting agricultural items from certain federal regulations; allowing electronic filing of financial responsibility forms; amending Minnesota Statutes 1994, sections 221.0314, by adding subdivisions; 221.033, subdivision 2a; and 221.141, by adding a subdivision; Minnesota Statutes 1995 Supplement, section 221.0314, subdivision 3.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2053, now on General Orders.

**H.F. No. 2411:** A bill for an act relating to game and fish; prohibiting trespassing on agricultural land for outdoor recreation; prohibiting trespassing on certain private land for outdoor recreation; modifying posting requirements; modifying provisions for retrieving dogs and wounded game; prohibiting hunting in certain areas; providing civil penalties; establishing an appeals procedure; directing the disposition of penalty amounts; amending Minnesota Statutes 1994, section 94B.001, subdivisions 2, 3, 4, 5, 6, 7, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 97B.

Referred to the Committee on Environment and Natural Resources.

**H.F. No. 2055:** A bill for an act relating to telecommunications; requiring notice to customers of the right to require written authorization before changing intrastate telecommunications carrier or local telephone company; amending Minnesota Statutes 1994, section 237.66, subdivision 3, and by adding a subdivision; Minnesota Statutes 1995 Supplement, section 237.16, subdivision 8.

Referred to the Committee on Jobs, Energy and Community Development.

**H.F. No. 2207:** A bill for an act relating to the environment; adopting changes to the Midwest Interstate Compact on Low-Level Radioactive Waste; making conforming changes; amending Minnesota Statutes 1994, sections 116C.831; 116C.832, subdivision 1, and by adding a subdivision; 116C.833, subdivision 2; 116C.834, subdivision 1, and by adding a subdivision; 116C.835, subdivision 6; 116C.836, subdivision 2; and 116C.842, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 116C; repealing Minnesota Statutes 1994, sections 116C.832, subdivisions 2, 7, and 8; 116C.837; 116C.839; 116C.840, subdivision 3; 116C.841; 116C.842, subdivisions 1, 2, and 3; 116C.845; 116C.846; 116C.847; and 116C.848.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2013, now on the Calendar.

**H.F. No. 2044:** A bill for an act relating to insurance; group life and health coverages; prohibiting retroactive termination of a person's coverage without the consent of the covered person; proposing coding for new law in Minnesota Statutes, chapter 60A.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2516.

**H.F. No. 2127:** A bill for an act relating to human services; changing provisions related to deaf and hard-of-hearing services division; amending Minnesota Statutes 1994, sections 256C.22; 256C.23; 256C.24, as amended; 256C.25, subdivision 1; 256C.26; and 256C.28, as amended; proposing coding for new law in Minnesota Statutes, chapter 256C; repealing Minnesota Statutes 1994, section 256C.27.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1882.

## REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of the reports on S.F. Nos. 1885, 2613, 2691, 1871, 2260, 1164, 1865 and the reports pertaining to appointments. The motion prevailed.

### **Ms. Piper from the Committee on Family Services, to which was re-referred**

**S.F. No. 1888:** A bill for an act relating to human services; requiring notification of placement or adoption of a child to the other birth parent; requiring background checks for adoption; requiring affidavits for an emergency order requiring updates to adoption study; defining content of postplacement assessment and report; permitting court-ordered grandparent visitation with an adopted child; recognition of adoption which occurred in a foreign country; defining when adoption records shall become public records; amending Minnesota Statutes 1994, sections 245A.04, subdivision 10; 259.20, subdivision 2; 259.22, subdivision 4; 259.24, subdivision 2a; 259.41; 259.47, subdivisions 3, 6, 7, 8, and 10; 259.53, subdivision 2; 259.55, subdivision 1; 259.59, subdivision 1, and by adding a subdivision; 259.67, subdivision 7; 259.79, subdivision 3; 259.83, subdivision 3; and 259.89, subdivisions 1, 5, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 259; repealing Minnesota Statutes 1994, section 259.47, subdivision 9.

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

Page 2, after line 14, insert:

"Sec. 2. Minnesota Statutes 1994, section 257.022, is amended by adding a subdivision to read:

Subd. 3a. [GRANDPARENT VISITATION WITH AN ADOPTED CHILD.] A grandparent of an adopted child may petition and a court may grant an order setting visitation with the child if:

(1) the grandparent is the parent of:

- (i) a deceased parent of the child; or
- (ii) a parent of the child whose parental relationship was terminated by a decree of adoption pursuant to section 259.59, subdivision 1;
- (2) the child has been adopted by a stepparent; and
- (3) the court determines that the requested visitation:
  - (i) is in the best interests of the child; and
  - (ii) would not interfere with the parent and child relationship.

Failure to comply with the terms of an order for visitation granted under this subdivision is not a basis for revoking, setting aside, or otherwise challenging the validity of a consent, relinquishment, or adoption of a child."

Page 17, line 3, reinstate the stricken "subdivision" and delete "subdivisions"

Page 17, line 4, delete "1b" and insert "section 257.022, subdivision 3a"

Page 17, delete section 14

Page 19, after line 17, insert:

"Sec. 17. [259.78] [GRANDPARENT VISITATION.]

Grandparent visitation with an adopted child is governed by section 257.022."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 12, after the semicolon, insert "257.022, by adding a subdivision;"

Page 1, line 16, delete "," and by adding a subdivision"

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

**Mr. Metzen from the Committee on Governmental Operations and Veterans, to which was referred**

**S.F. No. 1117:** A bill for an act relating to government operations; expanding Minneapolis health insurance subsidy to include eligible Minneapolis teachers who retire before May 1, 1983; amending Minnesota Statutes 1994, section 124.916, subdivision 4.

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

Page 1, line 20, reinstate the stricken "May 1, 1974" and before "June" insert ", or who had 20 or more years of basic member service in the Minneapolis teachers retirement fund association and retired before"

Page 2, after line 15, insert:

"This subdivision does not extend benefits to teachers who retire after June 30, 1983, and does not create a contractual right or claim for altering the benefits in this subdivision. This subdivision does not restrict the school district's right to modify or terminate coverage under this subdivision."

Amend the title as follows:

Page 1, line 4, delete "May 1" and insert "June 30"

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

**Mr. Lessard from the Committee on Environment and Natural Resources, to which was re-referred**

**S.F. No. 2675:** A bill for an act relating to agriculture; establishing the Minnesota dairy producers board; allowing certain feedlots to operate without a permit; providing that certain local ordinances be submitted to the pollution control agency and the commissioner of agriculture for approval; providing for setbacks between feedlots and residences; appropriating money; amending Minnesota Statutes 1995 Supplement, section 116.07, subdivision 7; proposing coding for new law in Minnesota Statutes, chapter 17.

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

Pages 1 to 3, delete section 1

Page 5, line 4, after the period, insert:

"Sec. 2. Minnesota Statutes 1994, section 394.25, is amended by adding a subdivision to read:

Subd. 3b. [FEEDLOT ZONING ORDINANCES.] (a)" and delete "a feedlot" and insert "an" and after "ordinance" insert "affecting feedlots"

Page 5, line 5, delete "subdivision" and insert "chapter"

Page 5, line 20, after the period, insert "If the agency or the commissioner object to any elements in the ordinance, the agency or commissioner shall include in the advisory report:

(1) a list of the objections to specific elements in the ordinance;

(2) the legal, economic, or scientific justification for each objection under clause (1); and

(3) recommended changes in the ordinance to address the objections under clause (1)." and delete "60" and insert "30"

Page 5, line 22, delete "(i)" and insert "(b)"

Page 5, delete section 3

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete from "establishing" through page 1, line 3, to "board;"

Page 1, line 8, delete "appropriating money;" and after "amending" insert "Minnesota Statutes 1994, section 394.25, by adding a subdivision;"

Page 1, line 10, delete from "; proposing" through page 1, line 11, to "17"

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

**Mr. Lessard from the Committee on Environment and Natural Resources, to which was re-referred**

**S.F. No. 1799:** A bill for an act relating to agricultural chemicals; expanding immunity from liability for certain uses; amending Minnesota Statutes 1994, section 18D.101.

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

Page 1, line 10, reinstate the stricken language and delete the new language

Page 1, lines 11 and 12, delete the new language

Page 1, line 13, reinstate the stricken language and delete "used or"

Page 1, line 14, delete "use or"

Page 1, line 16, after "labeling" insert ", including precautionary labeling and applicable preharvest intervals,"

Amend the title as follows:

Page 1, line 2, delete "expanding" and insert "modifying provisions relating to"

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

**Ms. Flynn from the Committee on Transportation and Public Transit, to which was referred**

**S.F. No. 2446:** A bill for an act relating to transportation; appropriating money to commissioner of transportation to create a process to promote telecommuting and develop telecommunication resources in an integrated manner.

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

Page 1, delete section 1

Page 2, after line 5, insert:

"Sec. 2. [TELECOMMUTING DAY.]

The department of employee relations, in consultation with the department of transportation and the United States Weather Service, shall declare a telecommuting day when the criteria established pursuant to section 3 are met. On a telecommuting day, employers shall be encouraged to direct as many employees as possible to telecommute.

Sec. 3. [CRITERIA FOR TELECOMMUTING DAY.]

The department of employee relations shall establish criteria to determine when to declare a telecommuting day and how to communicate that declaration to affected employees. The department may consult with the department of public safety, the department of transportation, and private telecommuting consultants in setting the criteria. The criteria shall relate to weather, road conditions, and other factors the department finds to be relevant in making the determination."

Page 2, line 9, delete "2" and insert "1"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "establishing criteria and procedure to declare telecommuting day;"

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

**Mr. Metzen from the Committee on Governmental Operations and Veterans, to which was re-referred**

**S.F. No. 1875:** A bill for an act directing the Minnesota health care commission to establish a task force to study health care taxes.

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

Page 1, line 18, delete "shall" and insert "must"

Page 1, line 24, after the second semicolon, insert "one person representing Blue Cross and Blue Shield of Minnesota; one person representing hospitals; one person representing employee unions;"

Page 2, line 2, delete "must" and insert "shall"

Page 2, line 7, delete "must" and insert "shall"

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

**Mr. Berg from the Committee on Gaming Regulation, to which was referred**

**S.F. No. 2052:** A bill for an act relating to gambling; allowing a class B licensee of a class A racetrack conducting horse racing to conduct card club activities; amending Minnesota Statutes 1994, sections 240.01, by adding subdivisions; 240.03; 240.15, subdivision 1; 541.20; 541.21; and 609.761, by adding a subdivision; Minnesota Statutes 1995 Supplement, section 240.23; proposing coding for new law in Minnesota Statutes, chapter 240.

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 1994, section 240.01, is amended by adding a subdivision to read:

Subd. 24. [CARD CLUB.] "Card club" means a facility or portion of a facility where the commission has authorized a licensee to conduct card playing.

Sec. 2. Minnesota Statutes 1994, section 240.01, is amended by adding a subdivision to read:

Subd. 25. [CARD PLAYING.] "Card playing" means an activity wherein individuals compete and wager with each other utilizing a 52-unit system comprised of a series of numbers, numbered 2 through 10, and the letters J, Q, K, and A, combined with four symbols commonly known as hearts, diamonds, spades, and clubs, wherein each individual unit constitutes the display of one of the 52 possible combinations. The symbol commonly known as a joker may be incorporated into the system.

Sec. 3. Minnesota Statutes 1994, section 240.01, is amended by adding a subdivision to read:

Subd. 26. [UNBANKED.] "Unbanked" means a wagering system or game where the individual participants compete against each other and not against the sponsor or house. In an unbanked system or game, the sponsor or house may deduct a percentage from the accumulated wagers and impose other charges for hosting the activity, but it shall not have an interest in the outcome of any game. The sponsor or house may add additional prizes, awards, or money to any game for promotional purposes.

Sec. 4. Minnesota Statutes 1994, section 240.03, is amended to read:

240.03 [COMMISSION POWERS AND DUTIES.]

The commission has the following powers and duties:

- (1) to regulate horse racing in Minnesota to ensure that it is conducted in the public interest;
- (2) to issue licenses as provided in this chapter;
- (3) to enforce all laws and rules governing horse racing;
- (4) to collect and distribute all taxes provided for in this chapter;
- (5) to conduct necessary investigations and inquiries and compel the submission of information, documents, and records it deems necessary to carry out its duties;

- (6) to supervise the conduct of pari-mutuel betting on horse racing;
- (7) to employ and supervise personnel under this chapter;
- (8) to determine the number of racing days to be held in the state and at each licensed racetrack;  
and
- (9) to take all necessary steps to ensure the integrity of racing in Minnesota; and
- (10) to regulate card playing activities authorized by section 240.30.

Sec. 5. [240.135] [CARD CLUB REVENUE.]

From the amounts deducted by the licensee from accumulated wagers in card playing activities conducted pursuant to section 240.30, the licensee shall set aside the amounts specified in this section to be used for purse payments or to be deposited in the breeders fund. These amounts are in addition to the breeders fund and purse requirements set forth elsewhere in this chapter.

(a) For the first \$3,000,000 deducted by the licensee in any year, the licensee shall set aside six percent to be used as purses.

(b) For amounts between \$3,000,000 and \$6,000,000, the licensee shall set aside ten percent to be used as purses.

(c) For amounts in excess of \$6,000,000, the licensee shall set aside 14 percent to be used as purses.

(d) From all amounts deducted, the licensee shall set aside one percent to be deposited in the breeders fund. The licensee and the horseperson's organization representing the majority of horsepersons who raced in the most recent race meet held at the racetrack may negotiate percentages different from those stated herein, provided that such agreement is in writing and filed with the racing commission.

Sec. 6. Minnesota Statutes 1995 Supplement, section 240.23, is amended to read:

240.23 [RULEMAKING AUTHORITY.]

The commission has the authority, in addition to all other rulemaking authority granted elsewhere in this chapter to promulgate rules governing:

(a) the conduct of horse races held at licensed racetracks in Minnesota, including but not limited to the rules of racing, standards of entry, operation of claiming races, filing and handling of objections, carrying of weights, and declaration of official results;

(b) wire communications between the premises of a licensed racetrack and any place outside the premises;

(c) information on horse races which is sold on the premises of a licensed racetrack;

(d) liability insurance which it may require of all class A, class B, and class D licensees;

(e) the auditing of the books and records of a licensee by an auditor employed or appointed by the commission;

(f) emergency action plans maintained by licensed racetracks and their periodic review;

(g) safety, security, and sanitation of stabling facilities at licensed racetracks;

(h) entry fees and other funds received by a licensee in the course of conducting racing which the commission determines must be placed in escrow accounts;

(i) affirmative action in employment and contracting by class A, class B, and class D licensees;  
and

(j) any other aspect of horse racing or pari-mutuel betting which in its opinion affects the integrity of racing or the public health, welfare, or safety; and

(k) card playing activities authorized by section 240.30.

Rules of the commission are subject to chapter 14, the Administrative Procedure Act.

Sec. 7. [240.30] [CARD CLUBS.]

Subdivision 1. [AUTHORIZATION.] The commission may authorize a class B operator of a class A racetrack to operate a card club and offer card playing services to patrons.

Subd. 2. [SUPERVISION.] The authorized licensee is responsible for conducting and supervising the card games and for providing all necessary equipment, services, and personnel.

Subd. 3. [TYPE OF WAGERING.] All card club wagering activities must be conducted in an unbanked format.

Subd. 4. [CHARGES.] The authorized licensee shall be allowed to charge patrons for card playing services by deducting and retaining money from wagers, by charging a fee based on playing time, or by any other means authorized by the commission.

Subd. 5. [LIMITATION.] The commission shall not allow a licensee to operate a card club unless the licensee has conducted at least 50 days of live racing at a class A facility within the past 12 months or during the preceding calendar year.

Sec. 8. [EFFECTIVE DATE.]

Sections 1 to 7 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to gambling; allowing a class B licensee of a class A racetrack conducting horse racing to conduct card club activities; amending Minnesota Statutes 1994, sections 240.01, by adding subdivisions; and 240.03; Minnesota Statutes 1995 Supplement, section 240.23; proposing coding for new law in Minnesota Statutes, chapter 240."

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

**Mr. Berg from the Committee on Gaming Regulation, to which was referred**

**S.F. No. 2218:** A bill for an act relating to lawful gambling; regulating expenditures and reports; providing enforcement powers; removing the restriction on compensation to persons who participate in the conduct of lawful gambling; amending Minnesota Statutes 1994, sections 349.151, subdivision 4; 349.166, subdivisions 2 and 3; and 349.19, subdivision 3; repealing Minnesota Statutes 1994, section 349.168, subdivision 3.

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

**Mr. Price from the Committee on Commerce and Consumer Protection, to which was referred**

**S.F. No. 2516:** A bill for an act relating to insurance; group life and health coverages; prohibiting retroactive termination of a person's coverage without the consent of the covered person; proposing coding for new law in Minnesota Statutes, chapter 60A.

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

Page 1, line 17, delete "issuer" and insert "plan"

Page 1, line 18, after "shall" insert "permit the issuer to"

Page 2, after line 11, insert:

"(c) This section does not apply where the issuer of coverage described in subdivision 1 retroactively terminates coverage of an employee, dependent, or other covered person solely because the group sponsor did not notify the issuer of the coverage in advance of the employee's voluntary or involuntary termination from employment, provided that the retroactive termination of coverage is effective no earlier than the end of the day of termination from employment. This paragraph does not affect continuation rights under federal or state law and does not limit the effect of section 62Q.16."

Page 2, line 13, delete "January 1, 1997" and insert "the day following enactment"

Page 2, line 14, after "issued" insert "or renewed"

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

**Mr. Metzen from the Committee on Governmental Operations and Veterans, to which was re-referred**

**S.F. No. 2169:** A bill for an act relating to motor carrier regulation; abolishing transportation regulation board; changing regulations relating to common carriers by rail, motor carriers, passenger carriers, and pipeline carriers; setting fees and penalties; amending Minnesota Statutes 1994, sections 169.26, by adding a subdivision; 218.031, subdivision 8; 218.041, subdivisions 4 and 6; 218.071, subdivision 1; 219.074, subdivisions 1 and 2; 219.14, subdivision 1; 219.20, subdivision 2, and by adding a subdivision; 219.22; 219.24; 219.402; 219.98; 221.011, subdivision 15, and by adding subdivisions; 221.021; 221.022; 221.025; 221.041, subdivisions 1, 2, and 3; 221.051, subdivision 1; 221.061; 221.071, subdivision 2; 221.081; 221.091; 221.111; 221.124; 221.131, as amended; 221.141, subdivisions 1 and 4; 221.185; 221.281; 221.291, subdivisions 4 and 5; 222.632; and 231.01, subdivision 5; Minnesota Statutes 1995 Supplement, sections 15A.081, subdivision 1; 221.031, subdivision 1; and 221.132; proposing coding for new law in Minnesota Statutes, chapter 221; repealing Minnesota Statutes 1994, sections 174A.01; 174A.02; 174A.03; 174A.04; 174A.05; 174A.06; 218.021; 218.025; 218.031, subdivisions 1, 3, 4, 5, 6, 7, 8, 9, 10, and 11; 218.041, subdivisions 1, 2, 7, and 8; 219.383, subdivisions 1 and 2; 219.55; 219.558; 219.559; 219.56; 219.661; 219.662; 219.681; 219.69; 219.691; 219.692; 219.695; 219.70; 219.71; 219.741; 219.743; 219.751; 219.755; 219.85; 219.97, subdivision 7; 221.011, subdivisions 2b, 8, 10, 12, 14, 20, 21, 24, 25, 28, 35, 36, 38, 39, 40, 41, 44, 45, and 46; 221.0315; 221.051, subdivision 2; 221.072; 221.101; 221.111; 221.122; 221.123; 221.131, subdivisions 1, 2, 2a, 4, and 5; 221.141, subdivision 6; 221.151; 221.152; 221.153; 221.161; 221.165; 221.171; 221.172; 221.185, subdivision 9; 221.241; 221.293; 221.296; 221.54; 221.55; and 222.633.

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

Page 9, line 8, after "hire" insert "on a prearranged reservation basis"

Page 9, line 15, after "public," insert "on a prearranged reservation basis,"

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

**Ms. Flynn from the Committee on Transportation and Public Transit, to which was re-referred**

**S.F. No. 1792:** A bill for an act relating to children; authorizing a parent to name a designated parent; providing procedures; appropriating money; amending Minnesota Statutes 1994, sections 171.07, by adding a subdivision; 260.173, subdivision 2; and 524.5-505; Minnesota Statutes 1995 Supplement, section 13.69, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 257A.

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

Page 6, delete lines 25 to 28 and insert:

"(1) an agreement that has been submitted to the department of public safety has priority over any other agreement;

(2) if more than one agreement has been submitted to the department of public safety, the agreement with the most recent date that has been submitted to the department controls; and"

Page 6, line 29, delete "(2)" and insert "(3)"

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

**Ms. Flynn from the Committee on Transportation and Public Transit, to which was referred**

**S.F. No. 1708:** A bill for an act relating to highways; authorizing cities to establish a municipal involvement process for certain trunk highway construction or reconstruction projects; providing for appointment of task forces for those projects and prescribing their powers; amending Minnesota Statutes 1994, sections 161.172; 161.173; 161.174; and 161.177.

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

Page 4, line 34, delete everything after "project" and insert "until the commissioner and the task force have reached an agreement concerning"

Page 7, line 27, delete "unless" and insert "until"

Page 7, line 28, delete "has adopted" and insert "and the task force have reached an agreement concerning"

Page 8, line 9, delete "Except in the case of projects"

Page 8, delete line 10

Page 8, line 11, delete the new language

Page 8, line 12, after the second "the" insert "task force established under section 161.172, subdivision 2, or"

Page 8, line 36, delete "unless" and insert "until"

Page 9, line 1, delete "has approved" and insert "reached an agreement with the commissioner concerning" and before the period, insert "or the appeal process under sections 161.175 and 161.176 has been completed"

Page 9, line 2, after "no" insert "task force established for the project under section 161.172,"

Page 9, line 3, after "municipality" insert a comma

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

**Ms. Berglin from the Committee on Health Care, to which was referred**

**H.F. No. 2310:** A bill for an act relating to health; transferring certain authority from the commissioner of health to the emergency medical services regulatory board; adding two members to the emergency medical services regulatory board; adding an exemption to the medical license requirement; specifying effective date of appointments and board actions; amending Minnesota Statutes 1994, section 169.686, subdivision 3; Minnesota Statutes 1995 Supplement, sections 144.8093, subdivision 4; 144E.01, subdivision 1; and 147.09.

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

**Mr. Metzen from the Committee on Governmental Operations and Veterans, to which was re-referred**

**S.F. No. 2517:** A bill for an act relating to education; changing candidate advisory council membership; amending Minnesota Statutes 1994, section 137.0245, subdivisions 2 and 4; and Minnesota Statutes 1995 Supplement, section 136F.03, subdivisions 2 and 4.

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

Pages 1 and 2, delete section 2 and insert:

"Sec. 2. Minnesota Statutes 1995 Supplement, section 136F.56, subdivision 1, is amended to read:

Subdivision 1. [STATE AGENCY PURPOSE AND DUTIES.] The state council on vocational technical education, formerly known as the Minnesota state advisory council for vocational education, is a state agency in the executive branch. Its purpose is to ~~implement section 112 of the Carl D. Perkins Vocational Education Act of 1984, United States Code, title 20, section 2322, and other purposes necessary to improve and promote~~ vocational technical education.

Sec. 3. Minnesota Statutes 1995 Supplement, section 136F.56, subdivision 2, is amended to read:

Subd. 2. [MEMBERS; TERMS.] The governor shall appoint the members of the council according to ~~United States Code, title 20, section 2322. Except as otherwise provided by that act,~~ Members are governed by section 15.0575. The council consists of 16 members appointed to four-year terms. The members must be people who have an interest or expertise in vocational technical education. One-half of the members shall be from the private sector. Geographical diversity must be taken into consideration by the governor in making appointments.

Sec. 4. Minnesota Statutes 1995 Supplement, section 136F.56, is amended by adding a subdivision to read:

Subd. 2a. [COUNCIL OPERATION.] The council shall establish its rules of operation, which must include provisions for public input.

Sec. 5. Minnesota Statutes 1995 Supplement, section 136F.56, subdivision 6, is amended to read:

Subd. 6. [FISCAL AGENT.] ~~The board~~ Minnesota state colleges and universities shall act as fiscal agent for the council and provide other support services necessary for disbursements, accounting, auditing, and reporting.

Sec. 6. Minnesota Statutes 1995 Supplement, section 136F.56, subdivision 7, is amended to read:

Subd. 7. [STAFF.] The council may employ an executive director and other staff needed to carry out its duties. The council may determine its staff needs and select its staff. The executive director shall serve serves in the unclassified service ~~and may be paid an allowance not to exceed \$2,000 annually for miscellaneous expenses in connection with duties of the office. The council may contract with professional, technical, and clerical consultants and interns needed to carry out its functions.~~

Pages 2 and 3, delete section 4

Page 3, line 4, before "Terms" insert "(a)"

Page 3, after line 25, insert:

"(b) Terms of all current members of the state council on vocational technical education are terminated on June 30, 1996. By July 1, 1996, the governor shall make appointments to the council. These appointments may include current council members. The governor shall appoint eight members to four-year initial terms and eight members to two-year initial terms."

Page 3, line 27, delete "5" and insert "8"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "changing council on vocational technical education membership;"

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

Page 1, line 5, delete "section" and insert "sections"

Page 1, line 6, delete "subdivisions" and insert "subdivision" and delete "and 4" and before the period, insert "; and 136F.56, subdivisions 1, 2, 6, 7, and by adding a subdivision"

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

**Mr. Metzen from the Committee on Governmental Operations and Veterans, to which was referred**

**S.F. No. 1871:** A bill for an act relating to state government; requiring an offer of long-term care insurance to retiring state employees; amending Minnesota Statutes 1995 Supplement, section 43A.316, 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. [LONG-TERM CARE COVERAGE STUDY.]

The commissioner of employee relations, with the assistance of the labor-management committee established in Minnesota Statutes, section 43A.316, subdivision 4, shall study the feasibility of providing an optional long-term care insurance benefit to state employees, either as a separate policy or integrated with existing health benefit plans. The commissioner shall also consult with the commissioners of human services, health, and commerce in conducting the study. The commissioner shall present the findings of and any recommendations resulting from the study to the legislature before January 16, 1997."

Amend the title as follows:

Page 1, line 2, delete "an offer of"

Page 1, delete lines 3 to 5 and insert "a study of the feasibility of long-term care insurance for retiring state employees."

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

**Mr. Spear from the Committee on Crime Prevention, to which was referred**

**S.F. No. 2170:** A bill for an act relating to crime; making it a crime to obtain cellular telephone service through cellular counterfeiting; requiring forfeiture of cloning paraphernalia used to create cloned cellular telephones; prescribing penalties; amending Minnesota Statutes 1994, section 609.531, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 609.

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

Pages 1 and 2, delete section 1 and insert:

"Section 1. Minnesota Statutes 1994, section 609.5316, subdivision 3, is amended to read:

Subd. 3. [WEAPONS, TELEPHONE CLONING PARAPHERNALIA, AND BULLET-RESISTANT VESTS.] Weapons used are contraband and must be summarily forfeited

to the appropriate agency upon conviction of the weapon's owner or possessor for a controlled substance crime or for any offense of this chapter or chapter 624. Bullet-resistant vests, as defined in section 609.486, worn or possessed during the commission or attempted commission of a crime are contraband and must be summarily forfeited to the appropriate agency upon conviction of the owner or possessor for a controlled substance crime or for any offense of this chapter. Telephone cloning paraphernalia used in a violation of section 609.894 are contraband and must be summarily forfeited to the appropriate agency upon a conviction. Notwithstanding this subdivision, weapons used and, bullet-resistant vests worn or possessed, and telephone cloning paraphernalia may be forfeited without a conviction under sections 609.531 to 609.5315."

Page 3, line 6, before "Cloning" insert "Telephone"

Page 3, line 8, before "Cloning" insert "Telephone"

Page 4, line 17, after "any" insert "telephone"

Page 4, lines 18 and 32, after "intercepting" insert "or manipulating"

Page 4, line 20, delete "and:" and insert a period

Page 4, delete lines 21 to 23

Page 4, line 31, before "cloning" insert "telephone"

Page 4, line 36, delete "and:" and insert a period

Page 5, delete lines 1 to 3

Page 5, delete lines 25 to 28

Page 5, line 29, delete "7" and insert "6"

Amend the title as follows:

Page 1, line 7, delete "609.531, subdivision 1" and insert "609.5316, subdivision 3"

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. 2357:** A bill for an act relating to criminal justice information systems; defining criminal justice agencies; authorizing sharing of adult and juvenile criminal history data between criminal justice agencies; requiring the juvenile court to forward certain court data to specified agencies; requiring the bureau of criminal apprehension to administer the computerized juvenile criminal history record system; amending Minnesota Statutes 1994, sections 13.02, by adding a subdivision; 13.87, subdivisions 1 and 2; 260.161, subdivisions 1 and 1a; and 299C.05.

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

Pages 1 and 2, delete sections 2 and 3

Page 3, lines 2 and 3, reinstate the stricken language

Pages 3 to 5, delete sections 5 and 6 and insert:

"Sec. 3. Minnesota Statutes 1994, section 260.161, subdivision 1a, is amended to read:

Subd. 1a. [~~RECORD OF ADJUDICATIONS; NOTICE TO BUREAU OF CRIMINAL APPREHENSION FINDINGS.~~] (a) The juvenile court shall forward to the Bureau of Criminal Apprehension the following data ~~on juveniles adjudicated delinquent for having committed felony-level criminal sexual conduct~~ in juvenile petitions involving felony- or gross misdemeanor-level offenses:

- (1) the name and birth date of the juvenile;
- (2) the type of act for which the juvenile was adjudicated delinquent petitioned and date of the offense; and
- (3) the date and county of the adjudication where the petition was filed.

(b) Upon completion of the court proceedings, the court shall forward the court's finding and case disposition to the bureau. Notwithstanding section 138.17, if the petition was dismissed or the juvenile was not found to have committed a gross misdemeanor or felony-level offense, the bureau and a person who received the data from the bureau shall destroy all data relating to the petition. The bureau shall notify a person who received the data that the data must be destroyed.

(c) The bureau shall retain data on a juvenile found to have committed a felony- or gross misdemeanor-level offense until the offender reaches the age of 28. If the offender commits another a felony violation of sections 609.342 to 609.345 as an adult, the bureau shall retain the data for as long as the data would have been retained if the offender had been an adult at the time of the juvenile offense.

(e) (d) The juvenile court shall forward to the bureau, the sentencing guidelines commission, and the department of corrections the following data on individuals convicted as extended jurisdiction juveniles:

- (1) the name and birthdate of the offender;
- (2) the crime committed by the offender and the date of the crime; and
- (3) the date and county of the conviction; and
- (4) the case disposition.

The court shall notify the bureau, the sentencing guidelines commission, and the department of corrections whenever it executes an extended jurisdiction juvenile's adult sentence under section 260.126, subdivision 5.

(d) (e) The bureau, sentencing guidelines commission, and the department of corrections shall retain the extended jurisdiction juvenile data for as long as the data would have been retained if the offender had been an adult at the time of the offense. Data retained on individuals under this subdivision are private data under section 13.02, except that extended jurisdiction juvenile data becomes public data under section 13.87, subdivision 2, when the juvenile court notifies the bureau that the individual's adult sentence has been executed under section 260.126, subdivision 5.

Sec. 4. Minnesota Statutes 1994, section 299C.095, is amended to read:

299C.095 [SYSTEM FOR IDENTIFICATION OF ADJUDICATED JUVENILES JUVENILE OFFENDERS.]

(a) The bureau shall establish a system for recording the data on adjudicated juveniles received from the juvenile courts under section 260.161, subdivision 1a administer and maintain the computerized juvenile history record system based on section 260.161 and other statutes requiring the reporting of data on juveniles. The data in the system are private data as defined in section 13.02, subdivision 12, but are accessible to criminal justice agencies as defined in section 13.02, subdivision 3a, to all trial courts and appellate courts, to a person who has access to the juvenile court records as provided in section 260.161 or under court rule.

(b) The bureau shall not disseminate a juvenile history record in connection with a background check required by statute or rule and performed on a licensee, license applicant, or employment applicant. A consent for release of information from an individual who is the subject of a juvenile history is not effective and the bureau shall not release a juvenile history record and shall not release information in a manner that reveals the existence of the record. This provision does not apply to background checks performed under section 624.713."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, delete from "authorizing" through page 1, line 5, to "agencies;"

Page 1, line 9, delete "criminal"

Page 1, line 11, delete "13.87, subdivisions 1 and 2;"

Page 1, line 12, delete "299C.05" and insert "299C.095"

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

**Mr. Lessard from the Committee on Environment and Natural Resources, to which was re-referred**

**S.F. No. 2120:** A bill for an act relating to insurance; providing a process for resolving state claims for certain landfill cleanup costs and associated damages with insurers; authorizing an action by the state for recovery from insurers after a reasonable opportunity for settlement; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 115B; repealing Minnesota Statutes 1994, sections 115B.44, subdivision 1; and 115B.46; Minnesota Statutes 1995 Supplement, sections 115B.44, subdivision 2; and 115B.45.

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

Page 3, line 35, after the period, insert "Nothing in this subdivision relieves a potential insurance policyholder of any duties imposed upon it pursuant to the terms, conditions, and provisions of its insurance policy, including any duty to cooperate with its insurer in the investigation, negotiation, and defense of claims, demands, or suits."

Page 6, after line 10, insert:

"Subd. 4. [PARTICIPATION BY AFFECTED POLICYHOLDERS.] (a) Within 30 days of notifying an insurer of a settlement offer, the attorney general shall make reasonable efforts to notify policyholders who may be affected by settlement negotiations under subdivision 3. The notification shall inform the policyholder of the commencement of negotiations between the state and the insurer and the manner in which a policyholder, with agreement of the insurer, may participate in the negotiation process. If the insurer and the state reach a settlement of the state's claims, the attorney general shall provide notice of any proposed settlement to any affected policyholder who makes a written request for such notice.

(b) Subject to the limitations of this paragraph, an insurer to whom a settlement offer is made under subdivision 3, and any policyholder who may be affected by the negotiation, may agree to negotiate a resolution of any other outstanding environmental claims, related to the qualified facility or facilities that are subject to the state's settlement offer, within the settlement negotiation process provided under this section. The agreement of the insurer and affected policyholders to negotiate must be reached by the time that the insurer and the state commence negotiations as provided under subdivision 3. The policyholder shall not participate in the selection of the method of negotiation by the state and the insurer under subdivision 3. If the attorney general in the attorney general's discretion determines, at any time after the first 60 days of the negotiation period, that continued participation of the policyholders in the negotiation process with the state and the insurer is detrimental to the effective negotiation of a settlement between the state and the insurer, the attorney general shall so notify the insurer and the policyholders. After such notification by the attorney general, the insurer and policyholders may continue to negotiate separately from the negotiation between the insurer and the state, and may use the same mediator or other person who is facilitating negotiation between the state and the insurer. Policyholders shall be responsible for their share of any costs of mediation or other alternative dispute resolution process in which they participate. Notwithstanding a determination to discontinue negotiations involving policyholders, the attorney general may engage in an additional 30 days of negotiation with the insurer and policyholders if, within the time limit for committing to a settlement provided under subdivision 3:

- (1) the insurer and policyholders have reached a resolution of matters in dispute between them;
- (2) the insurer and the state have agreed upon a settlement of the state's claims; and
- (3) the attorney general finds that participation by the policyholders in a settlement between the state and the insurer would be beneficial to that settlement.

Inability of the insurer or the state to reach a settlement with policyholders under this subdivision shall not preclude a settlement between the state and the insurer."

Page 6, line 11, delete "4" and insert "5"

Page 6, line 29, delete "5" and insert "6"

Page 7, line 4, delete "6" and insert "7"

Page 7, line 20, delete "7" and insert "8"

Page 7, line 36, delete "8" and insert "9"

Page 8, line 25, delete "9" and insert "10"

Page 8, line 34, after the comma, insert "which costs are" and after "facilities" insert "for which the state has assumed response action obligations or responsibilities"

Page 8, line 35, after the comma, insert "and" and after "which" insert "costs"

Page 9, line 11, after "claim" insert "of liability for environmental response costs"

Page 9, line 13, delete "Any action under"

Page 9, delete lines 14 to 16

Page 9, line 17, delete everything before "Before" and insert "In any action under this subdivision, the claim of the state shall be limited by the applicable terms, conditions, and provisions of the relevant insurance policy and the state shall have no greater rights than the rights of the policyholder under its insurance policy and under common and statutory law applicable to the determination of those rights under its insurance policy. Nothing in sections 1 to 5 shall be construed to relieve any policyholder of liability for environmental response costs to the extent of any insurance coverage of the policyholder by reason of the assumption of obligations or responsibilities by the state for environmental response actions under sections 115B.39 to 115B.43."

Page 9, line 23, delete "The"

Page 9, delete lines 24 to 27 and insert "In any action under this subdivision, the state shall have the same rights as individual policyholders to recover its reasonable expenses and costs of litigation, including attorney fees."

Page 10, delete section 7

Page 11, line 1, delete "8" and insert "7"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, delete "appropriating money;"

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. 2192:** A bill for an act relating to crime prevention; clarifying the application of

consecutive sentencing provisions to impaired driving and driver's license offenses arising out of a single course of conduct; adding cross-references; amending Minnesota Statutes 1994, sections 169.121, subdivisions 1c and 3; 169.791, by adding a subdivision; and 169.797, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 171.

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

Page 5, after line 12, insert:

"Sec. 6. Minnesota Statutes 1994, section 629.471, subdivision 2, is amended to read:

Subd. 2. [QUADRUPLE THE FINE.] (a) For offenses under sections 169.09, 169.121, 169.129, 171.24, paragraph (c), 609.2231, subdivision 2, 609.487, and 609.525, the maximum cash bail that may be required for a person charged with a misdemeanor or gross misdemeanor violation is quadruple the highest cash fine that may be imposed for the offense.

(b) Unless the court imposes the conditions of release specified in section 169.121, subdivision 1c, the court must impose maximum bail when releasing a person from detention who has been charged with violating section 169.121, subdivision 1, if the person has three prior impaired driving convictions within the previous ten years or four or more prior impaired driving convictions in the person's lifetime. As used in this subdivision, "prior impaired driving conviction" has the meaning given in section 169.121, subdivision 3.

Amend the title as follows:

Page 1, line 8, delete "and" and after "4;" insert "and 629.471, subdivision 2;"

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

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

**S.F. No. 2077:** A bill for an act relating to the environment; repealing the toxics in products law; repealing Minnesota Statutes 1994, section 115A.9651, as amended.

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 1994, section 115A.9651, as amended by Laws 1995, chapter 247, article 1, section 28, is amended to read:

115A.9651 [TOXICS IN SPECIFIED PRODUCTS; ENFORCEMENT.]

Subdivision 1. [PROHIBITION.] (a) Except as provided in subdivisions 2 and 3, after January 1, 1997, no person may distribute for sale or use in this state any ink, dye, pigment, paint, or fungicide manufactured after September 1, 1994, into which lead, cadmium, mercury, or hexavalent chromium has been intentionally introduced.

(b) For the purposes of this subdivision, "intentionally introduce" means to deliberately use a metal listed in paragraph (a) as an element during manufacture or distribution of an item listed in paragraph (a). Intentional introduction does not include the incidental presence of any of the prohibited elements.

(c) The concentration of a listed metal in an item listed in paragraph (a) may not exceed 100 parts per million.

Subd. 2. [TEMPORARY EXEMPTION PRODUCT REVIEW.] (a) Subdivision 1 does not apply to an item listed in that subdivision 1 is exempt from this section until July 1, 1998, if, by August 1, 1996, the manufacturer of the item submitted submits a product review report to the commissioner a written request for an exemption by August 1, 1994 that the commissioner determines complies with clauses (1) to (3) and the manufacturer complies with the other requirements of this subdivision. The request report must include at least:

(1) an explanation of why compliance is not technically feasible at the time of the request the technical and economic feasibility of removing a listed metal from the item by July 1, 1998;

(2) how the manufacturer will comply by July 1, 1997; and a summary of public health and environmental regulations that affect use and disposal of the item;

(3) a summary of any data or reports known to the manufacturer on public health and environmental impacts of the use and disposal of the item; and

(4) the name, address, and telephone number of a person the commissioner can contact for further information.

(b) ~~By September 1, 1994, A person who uses an item listed in subdivision 1, into which one of the listed metals has been intentionally introduced, may submit, on behalf of the manufacturer, a request for temporary exemption only a product review report to the commissioner if the manufacturer fails to submit an exemption request~~ a report as provided in paragraph (a). The request report must include:

(1) an explanation of why the person must continue to use the item and a discussion of potential alternatives;

(2) an explanation of why it is not technically feasible at the time of the request to formulate or manufacture the technical and economic feasibility of formulating or manufacturing the item without intentionally introducing a listed metal by July 1, 1998;

(3) that the person will seek alternatives to using the item by July 1, 1997, if it still contains an intentionally introduced listed metal a summary of public health and environmental regulations that affect the person's use and disposal of the item; and

(4) a summary of any data or reports known to the user on public health or environmental impacts of the use and disposal of the item; and

(5) the name, address, and telephone number of a person the commissioner can contact for further information.

(c) ~~A person who submits a request for temporary exemption under paragraph (b) may submit a request for a temporary exemption after September 1, 1994, for an item that the person will use as an alternative to the item for which the request was originally made as long as the new item has a total concentration level of all the listed metals that is significantly less than in the original item. An exemption under this paragraph expires July 1, 1998, and the person who requests it must submit the progress description required in paragraph (e) By August 1, 1996, a manufacturer that submits a product review report under paragraph (a) must submit a report to the commissioner describing any progress made in removing the listed metal from the item and stating whether the manufacturer anticipates removal of the listed metal by July 1, 1998.~~

~~(d) By October 1, 1994, and annually thereafter if requests are received under paragraph (e), the commissioner shall submit to the legislative commission on waste management a list of manufacturers and persons that have requested an exemption under this subdivision and the items for which exemptions were sought, along with copies of the requests By October 1, 1996, a person that submits a report under paragraph (b) must submit a report to the commissioner describing any progress made to eliminate or replace the item containing the listed metal and stating whether the use of the item will be eliminated by July 1, 1998.~~

(e) ~~By July 1, 1996, each manufacturer on the list shall submit to the commissioner a description of the progress the manufacturer has made toward compliance with subdivision 1, and the date compliance has been achieved or the date on or before July 1, 1998, by which the manufacturer anticipates achieving compliance. By July 1, 1996, each person who has requested an exemption under paragraph (b) or (c) shall submit to the commissioner:~~

~~(1) a description of progress made to eliminate the listed metal or metals from the item or progress made by the person to find a replacement item that does not contain an intentionally introduced listed metal; and~~

~~(2) the date or anticipated date the item is or will be free of intentionally introduced metals or the date the person has stopped or will stop using the item.~~

~~By October 1, 1996, the commissioner shall submit to the legislative commission a summary of the progress made by the manufacturers and other persons and any recommendations for appropriate legislative or other action to ensure that products are not distributed in the state after July 1, 1998, that violate subdivision 1. By December 1, 1996, the commissioner shall submit to the environment and natural resources committees of the legislature a report on progress made by the manufacturers and other persons to eliminate the use of the metals listed in subdivision 1. The report must include recommendations on whether the legislature should ban the sale or use of any of the items listed in subdivision 1 that contain a listed metal. Any recommendation for a product ban must address the risks posed by the use and disposal of the product to the public health and the environment and the costs of a product ban.~~

Subd. 3. [APPLICATION; ENFORCEMENT.] (a) This section does not apply to art supplies.

(b) This section may be enforced under sections 115.071 and 116.072. The attorney general or the commissioner of the agency shall coordinate enforcement of this section with the director of the office.

Sec. 2. [TOXICS IN PRODUCTS; EXEMPTION REQUESTS.]

Exemption requests received by the commissioner of the pollution control agency under Minnesota Statutes 1994, section 115A.9651, are deemed to be product review reports for the purposes of section 1, subdivision 2, paragraph (a) or (b). The commissioner shall notify each person that submitted an exemption request of any additional information needed to comply with section 1, subdivision 2, paragraph (a) or (b). The additional information must be submitted to the commissioner by September 1, 1996."

Delete the title and insert:

"A bill for an act relating to the environment; modifying requirements relating to toxics in products; amending Minnesota Statutes 1994, section 115A.9651, as amended."

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

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

**S.F. No. 2598:** A bill for an act relating to Minnesota Statutes; correcting erroneous, ambiguous, and omitted text and obsolete references; eliminating certain redundant, conflicting, and superseded provisions; making miscellaneous technical corrections to statutes and other laws; amending Minnesota Statutes 1994, sections 10A.27, subdivision 1; 13.99, subdivisions 8a and 19c; 14.47, subdivision 1; 17.03, subdivision 10; 18.54, subdivisions 1 and 2; 18B.39; 18E.05, subdivision 1; 21.92; 32.417; 41A.023; 41A.04, subdivision 4; 44A.0311; 48.301; 60B.39, subdivision 5; 62D.02, subdivision 4; 62D.12, subdivisions 12 and 13; 62E.04, subdivision 8; 62E.09; 62I.22, subdivision 6; 72C.07, subdivision 1; 83.23, subdivisions 2 and 3; 83.24, subdivisions 3 and 5; 83.26, subdivision 1; 83.28, subdivision 2; 83.30, subdivision 1; 83.31, subdivisions 1 and 3; 83.39, subdivision 1; 85A.02, subdivision 5b; 97B.025; 103G.301, subdivision 3; 103I.101, subdivision 5; 103I.525, subdivisions 8 and 9; 103I.531, subdivisions 8 and 9; 103I.535, subdivision 8; 103I.541, subdivisions 4 and 5; 115A.156, subdivision 3; 115B.223, subdivision 2; 115C.07, subdivision 3; 116C.834, subdivision 1; 116J.403; 116J.63, subdivision 2; 116J.68, subdivision 2; 129D.14, subdivision 5; 136D.23, subdivisions 1 and 2; 136D.83, subdivisions 1 and 2; 144.98, subdivision 4; 145.61, subdivision 5; 145.889; 145.97; 148B.17; 148B.61, subdivision 2; 148B.64, subdivision 2; 148B.69, subdivision 1; 160.265, subdivision 2; 161.1231, subdivision 5; 169.128; 176.021, subdivision 7; 176.129, subdivisions 4a and 13; 176.225, subdivision 2; 176.83, subdivision 7; 177.24, subdivisions 1 and 4; 177.27, subdivision 6; 182.675; 183.375, subdivision 5; 183.411, subdivisions 2a and 3; 183.545; 197.447; 198.002, subdivision 2; 198.003, subdivision 1; 205A.13; 216A.037, subdivision 3; 216B.164, subdivision 6; 216C.10; 216C.14, subdivision 3; 216C.15, subdivision 2; 216C.37, subdivision 7; 223.17, subdivision 3; 239.101, subdivision 4; 240.24, subdivision 2; 240A.03, subdivision 10;

254B.041, subdivision 2; 256.871, subdivision 7; 256.9753, subdivision 3; 256.991; 256B.431, subdivision 22; 256B.501, subdivisions 5a and 10; 256B.502; 256B.503; 256B.74, subdivision 10; 268.166; 268.37, subdivision 3; 270.84, subdivision 1; 270A.12; 270B.07, subdivision 4; 284.28, subdivisions 5 and 6; 298.39; 299L.07, subdivision 8; 299M.04; 308A.135, subdivision 3; 325D.01, subdivision 1; 325D.69, subdivision 2; 325D.70; 325F.20, subdivision 1; 326.47, subdivision 6; 326.86, subdivision 1; 349A.02, subdivision 6; 352.75, subdivision 6; 352B.26, subdivision 3; 353.271, subdivision 2; 353.84; 354.094, as amended; 354.53, subdivision 1; 354.55, subdivisions 14 and 15; 354.66, subdivisions 1 and 6; 354A.092; 354A.093; 355.391, subdivision 1; 355.392, subdivisions 2 and 3; 356.86, subdivision 2; 356.865, subdivision 2; 363.06, subdivision 4a; 402.01, subdivision 1; 422A.06, subdivision 5; 462A.06, subdivision 11; 462A.07, subdivision 14; 462A.08, subdivision 3; 462A.236; 469.141, subdivision 2; 473.446, subdivision 2; 473.516, subdivision 3; 473.545; 473.639; 480A.06, subdivision 3; 524.3-101; 524.3-108; 524.3-901; 524.3-1204; 525.712; 550.15; 583.285; 624.7132, subdivision 8; 626A.13, subdivision 4; and 629.68; Minnesota Statutes 1995 Supplement, sections 13.99, subdivision 19h; 15.0591, subdivision 2; 15.991, subdivision 1; 16A.6701, subdivision 1; 16B.43, subdivision 1; 16B.748; 41A.066, subdivision 1; 43A.191, subdivision 3; 43A.24, subdivision 2; 47.60, subdivision 4; 62A.307, subdivision 2; 62L.045, subdivision 1; 62M.09, subdivision 5; 72C.03; 79A.31, subdivision 1; 83.26, subdivision 2; 84.9691; 97A.0453; 103B.231, subdivision 3; 103G.301, subdivision 2; 116.07, subdivisions 4 and 4d; 121.703, subdivision 2; 144.057, subdivision 1; 144A.071, subdivision 2; 144A.073, subdivision 8; 144D.06; 148C.03, subdivision 1; 151.37, subdivision 2; 237.16, subdivision 11; 256.737, subdivision 1a; 256D.01, subdivision 1b; 275.065, subdivision 6; 276.04, subdivision 2; 295.50, subdivision 4; 297A.25, subdivision 11; 326.50; 336.9-411; 354.05, subdivision 5; 354.63, subdivision 2; 354A.094, subdivision 4; 354D.01, subdivision 2; 354D.06; 462A.201, subdivision 2; 474.191; 525.6197; 609.101, subdivision 2; 609.485, subdivisions 2 and 4; and 626.557, subdivision 16; Laws 1995, chapters 159, section 1; 202, article 4, section 24; and 212, article 4, section 65; First Special Session chapter 3, article 8, section 25, subdivision 6; repealing Minnesota Statutes 1994, sections 13.99, subdivisions 2 and 39a; 148B.60, subdivision 6; 177.28, subdivision 4; 222.61; 254B.041, subdivision 1; 289A.60, subdivision 9; 349.218; 471.6161, subdivision 7; 473.604, subdivision 7; and 473.704, subdivision 6; Laws 1991, chapter 354, article 6, section 7, subdivisions 2 and 3; Laws 1995, chapters 186, sections 38 and 78; 224, sections 117, 118, 119, 120, and 121; 234, article 3, section 3; 247, article 1, section 44; 248, article 10, section 15; and 259, article 3, section 7, subdivision 2.

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

**Mr. Vickerman from the Committee on Metropolitan and Local Government, to which was referred**

**H.F. No. 2401:** A bill for an act relating to counties; Itasca; exempting the county from certain bidding requirements on the sale of the Itasca County Medical Center.

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

**Mr. Price from the Committee on Commerce and Consumer Protection, to which was referred**

**S.F. No. 2591:** A bill for an act relating to liquor; modifying restrictions for temporary on-sale licenses; amending Minnesota Statutes 1995 Supplement, section 340A.410, subdivision 10.

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

Page 1, line 9, strike "RESTRICTION ON NUMBER" and insert "RESTRICTIONS" and before "A" insert "(a)"

Page 1, after line 15, insert:

"(b) A municipality may not issue more than one temporary license under section 340A.404, subdivision 10, for the sale of alcoholic beverages to any one organization or registered political committee, or for any one location, within any 30-day period."

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

**Mr. Price from the Committee on Commerce and Consumer Protection, to which was referred**

**S.F. No. 2780:** A bill for an act relating to insurance; prohibiting insurers from terminating agents as a result of contacts with the legislature; amending Minnesota Statutes 1994, section 72A.20, subdivision 20.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1994, section 72A.20, subdivision 20, is amended to read:

Subd. 20. [~~CONTACT WITH DEPARTMENT GOVERNMENT.~~] An insurance company may not terminate or otherwise penalize an insurance agent solely because the agent contacted any government department or agency regarding a problem that the agent or an insured may be having with an insurance company. For purposes of this section, "government department or agency" includes the executive, legislative, and judicial branches of government as stated in article III of the Constitution.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is a clarification of the legislature's intent in originally enacting Minnesota Statutes, section 72A.20, subdivision 20, and section 1 is therefore effective retroactively to May 18, 1989, which was the effective date of that statute as originally enacted."

Delete the title and insert:

"A bill for an act relating to insurance; clarifying that existing law prohibits insurers from terminating agents as a result of contacts with any branch of government; amending Minnesota Statutes 1994, section 72A.20, subdivision 20."

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

**Mr. Metzen from the Committee on Governmental Operations and Veterans, to which was referred**

**S.F. No. 2532:** A bill for an act relating to state government; permitting state employees to donate vacation leave for the benefit of a certain state employee.

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

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

**H.F. No. 2420** 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.  
2420

S.F. No.  
2258

H.F. No.

S.F. No.

H.F. No.

S.F. No.

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2420 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2420 and insert the language after the enacting clause of S.F. No. 2258, the first engrossment; further, delete the title of H.F. No. 2420 and insert the title of S.F. No. 2258, the first engrossment.

And when so amended H.F. No. 2420 will be identical to S.F. No. 2258, and further recommends that H.F. No. 2420 be given its second reading and substituted for S.F. No. 2258, 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. 2558** 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.
2558	2335				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2558 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2558 and insert the language after the enacting clause of S.F. No. 2335, the first engrossment; further, delete the title of H.F. No. 2558 and insert the title of S.F. No. 2335, the first engrossment.

And when so amended H.F. No. 2558 will be identical to S.F. No. 2335, and further recommends that H.F. No. 2558 be given its second reading and substituted for S.F. No. 2335, 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. Vickerman from the Committee on Metropolitan and Local Government, to which was referred the following appointment as reported in the Journal for January 16, 1996:**

METROPOLITAN COUNCIL

Richard Packer

Reports the same back with the recommendation that the appointment be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

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

**S.F. No. 2672:** A bill for an act relating to courts; modifying the duties and powers of a referee for the duration of a family court block calendar pilot program.

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

Delete everything after the enacting clause and insert:

"Section 1. [PILOT PROJECT; COMBINED JURISDICTION COURT.]

Notwithstanding Minnesota Statutes, sections 260.031, subdivision 4, and 484.70, subdivisions 6 and 7, paragraphs (d) and (e), the second judicial district may implement a pilot project to improve the resolution of family problems by assigning related family, probate, and juvenile court matters, other than delinquency proceedings, to a single judge or referee.

The second judicial district shall report to the supreme court by August 1, 1998, on the effectiveness of the combined jurisdiction court.

Sec. 2. [REPEALER.]

Section 1 is repealed when the project is completed, or June 30, 1998, whichever occurs earlier.

Sec. 3. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

And when so amended the bill do pass.

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

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

**S.F. No. 1885:** A bill for an act relating to human services; clarifying foster care payment and placement; clarifying adoption assistance; defining egregious harm in the juvenile code; amending the parental rights termination statute; amending Minnesota Statutes 1994, sections 256E.08, by adding a subdivision; 257.071, subdivision 1a, and by adding subdivisions; 257.072, subdivisions 1, 5, and 8; 257.0725; 259.67, subdivisions 4 and 6; 259.77; 260.015, by adding a subdivision; 260.181, subdivision 3; and 260.221, by adding a subdivision; Minnesota Statutes 1995 Supplement, sections 256.045, subdivision 3; and 260.221, subdivision 1; Laws 1995, chapter 207, article 1, section 2, subdivision 4.

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

Page 13, delete section 16

Page 15, line 47, delete "17" and insert "16"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 10, before "260.181" insert "and"

Page 1, line 11, delete "and 260.221, by adding a subdivision;"

And when so amended the bill do pass.

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

**Mr. Spear from the Committee on Crime Prevention, to which was re-referred**

**S.F. No. 2054:** A bill for an act relating to traffic regulations; requiring driver to stop to yield right-of-way to pedestrian within crosswalk; increasing penalty for failure to yield to pedestrian in crosswalk; directing commissioner to include information pertaining to crosswalk right-of-way in driver's manual; requiring preparation and distribution of publicity concerning traffic regulations; amending Minnesota Statutes 1994, section 171.13, by adding a subdivision; Minnesota Statutes 1995 Supplement, section 169.21, subdivision 2.

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

Page 1, line 19, after "a" insert "marked" and after "crosswalk" insert "or within any crosswalk at an intersection"

Page 2, line 30, delete "cause to be" and insert "include in the department's"

Page 2, line 31, delete "produced a"

Page 2, after line 36, insert:

"Sec. 4. [EFFECTIVE DATE.]

Section 1 is effective August 1, 1996, and applies to crimes committed on or after that date."

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

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

**S.F. No. 2098:** A bill for an act relating to public nuisance; clarifying definition of acts constituting a nuisance; amending Minnesota Statutes 1995 Supplement, section 617.81, subdivision 2.

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

Page 2, line 22, delete "the day following final enactment" and insert "June 1, 1996"

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

**Mr. Metzen from the Committee on Governmental Operations and Veterans, to which was referred**

**S.F. No. 2260:** A bill for an act relating to state government; modifying classifications for certain positions in the higher education system; amending Minnesota Statutes 1995 Supplement, section 43A.08, subdivision 1.

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

Delete everything after the enacting clause and insert:

"Section 1. [UNCLASSIFIED POSITIONS.]

Employees in positions unclassified under Minnesota Statutes, section 43A.08, subdivision 1, clause (9), in the professional bargaining unit in technical colleges, or current or future colocated technical college and community colleges at the Minnesota state colleges and universities, have the same rights as classified employees relating to seniority, lay-off, and recall.

Sec. 2. [BARGAINING.]

The exclusive representative for the professional bargaining unit and Minnesota state colleges and universities shall begin negotiations no later than July 1, 1996, to reach agreement regarding the remaining unclassified community college employees in the professional bargaining unit as to seniority, lay-off, and recall provisions. The parties shall also begin negotiations no later than July 1, 1996, regarding the right to just cause protection for employees in the customized trainer class.

Sec. 3. [EXCEPTION.]

Section 1 does not apply to technical college employees in the customized trainer class.

Sec. 4. [DURATION.]

Section 1 is effective until a memorandum of understanding is agreed to by the exclusive representative of the professional bargaining unit and Minnesota state colleges and universities, or until a successor agreement is negotiated by the parties.

Sec. 5. [EFFECTIVE DATE.]

Sections 1 to 4 are effective the day following final enactment."

Amend the title as follows:

Page 1, line 4, delete everything after "system"

Page 1, line 5, delete everything before the period

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

**Mr. Vickerman from the Committee on Metropolitan and Local Government, to which was referred**

**S.F. No. 2321:** A bill for an act relating to capital improvements; authorizing the issuance of state bonds; appropriating money; requiring matching contributions.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Jobs, Energy and Community Development. Report adopted.

**Mr. Vickerman from the Committee on Metropolitan and Local Government, to which was referred**

**H.F. No. 2532:** A bill for an act relating to the Minneapolis park and recreation board; providing for the appointment of various employees; amending Laws 1969, chapter 1024, section 1, as amended.

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

Page 2, line 8, delete "captain" and insert "chief"

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

**Mr. Metzen from the Committee on Governmental Operations and Veterans, to which was referred**

**S.F. No. 1827:** A bill for an act relating to state employees; modifying certain duties of the legislative coordinating commission; modifying the expense allowance for certain agency heads; providing procedures for setting salaries of certain agency heads; limiting the salary of the chancellor of Minnesota state colleges and universities; limiting the salaries of certain agency heads and certain state employees; excluding housing allowance for presidents of state universities from salary; modifying salary limit waivers; modifying statutory language; amending Minnesota Statutes 1994, sections 15A.081, subdivision 8; 43A.17, subdivisions 1, 3, and by adding a subdivision; 85A.02, subdivision 5a; and 298.22, subdivision 1; Minnesota Statutes 1995 Supplement, section 3.855, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 15A; repealing Minnesota Statutes 1995 Supplement, section 15A.081, subdivisions 1 and 7.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1995 Supplement, section 3.855, subdivision 3, is amended to read:

Subd. 3. [OTHER SALARIES AND COMPENSATION PLANS.] The commission shall also:

(1) review and approve, reject, or modify recommendations of the commissioner of employee relations for increasing salary rates under section 43A.17, subdivision 3a;

(2) review and approve, reject, or modify a plan for compensation and terms and conditions of employment prepared and submitted by the commissioner of employee relations under section 43A.18, subdivision 2, covering all state employees who are not represented by an exclusive bargaining representative and whose compensation is not provided for by chapter 43A or other law;

(2) (3) review and approve, reject, or modify a plan for total compensation and terms and conditions of employment for employees in positions identified as being managerial under section

43A.18, subdivision 3, whose salaries and benefits are not otherwise provided for in law or other plans established under chapter 43A; and

~~(3) review and approve, reject, or modify recommendations for salaries submitted by the governor under section 43A.18, subdivision 5, covering agency head positions listed in section 15A.081;~~

~~(4) review and approve, reject, or modify recommendations for salaries of officials of higher education systems under section 15A.081, subdivision 7b; and~~

~~(5)~~ (4) review and approve, reject, or modify plans for compensation, terms, and conditions of employment proposed under section 43A.18, subdivisions 3a and 4.

Sec. 2. Minnesota Statutes 1994, section 15A.081, subdivision 8, is amended to read:

Subd. 8. [EXPENSE ALLOWANCE.] Notwithstanding any law to the contrary, positions listed in ~~subdivision 1~~ section 15A.0815, subdivisions 3 and 4, and constitutional officers, ~~and the commissioner of iron range resources and rehabilitation~~ are authorized an annual expense allowance not to exceed \$1,500 for necessary expenses in the normal performance of their duties for which no other reimbursement is provided. The expenditures under this subdivision are subject to any laws and rules relating to budgeting, allotment and encumbrance, preaudit and postaudit. The commissioner of finance may ~~promulgate~~ adopt rules to assure the proper expenditure of these funds; and to provide for reimbursement.

Sec. 3. [15A.0815] [SALARY LIMITS FOR CERTAIN EMPLOYEES.]

Subdivision 1. [SALARY LIMITS.] For purposes of subdivisions 2 to 4, the governor's salary is as established under section 15A.082.

The appointing authority, as defined in section 43A.02, subdivision 5, shall establish salaries for the positions within the prescribed limits as specified in subdivisions 2 to 5. In establishing individual salaries, the appointing authority shall consider the criteria established in section 43A.18, subdivision 8, and the performance of individual incumbents. The performance evaluation must include a review of an incumbent's progress toward attainment of affirmative action goals. If the appointing authority is not the governor, the salary proposed by the appointing authority is not effective unless approved by the commissioner of employee relations.

The appointing authority shall set the initial salary of a head of a new agency or a chair of a new metropolitan board or commission whose salary is not specifically prescribed by law. If the appointing authority is not the governor, the salary proposed by the appointing authority is not effective unless approved by the commissioner of employee relations. The amount of the new salary must be comparable to the salary of an agency head or commission chair having similar duties and responsibilities.

Subd. 2. [HIGHER EDUCATION SYSTEM LIMITS.] The salary of the chancellor of Minnesota state colleges and universities may not exceed 95 percent of the salary of the governor. For purposes of this subdivision, "salary" does not include:

(1) employee benefits that are also provided for the majority of all other full-time state employees, vacation and sick leave allowances, health and dental insurance, disability insurance, term life insurance, and pension benefits or like benefits the cost of which is borne by the employee or which is not subject to tax as income under the Internal Revenue Code of 1986;

(2) dues paid to organizations that are of a civic, professional, educational, or governmental nature;

(3) reimbursement for actual expenses incurred by the employee that the appointing authority determines to be directly related to the performance of job responsibilities, including any relocation expenses paid during the initial year of employment; or

(4) a housing allowance that is comparable to housing allowances provided to chancellors and university presidents in similar higher education systems nationwide.

Subd. 3. [GROUP I SALARY LIMITS.] The salaries for positions in this subdivision may not exceed 85 percent of the salary of the governor:

Commissioner of administration;  
Commissioner of agriculture;  
Commissioner of children, families, and learning;  
Commissioner of commerce;  
Commissioner of corrections;  
Commissioner of economic security;  
Commissioner of employee relations;  
Commissioner of finance;  
Commissioner of health;  
Executive director, higher education services office;  
Commissioner, housing finance agency;  
Commissioner of human rights;  
Commissioner of human services;  
Executive director, state board of investment;  
Commissioner of labor and industry;  
Commissioner of natural resources;  
Commissioner of office of strategic and long-range planning;  
Commissioner, pollution control agency;  
Commissioner of public safety;  
Commissioner, department of public service;  
Commissioner of revenue;  
Commissioner of trade and economic development;  
Commissioner of transportation;  
Commissioner of veterans affairs;  
Administrator of zoological gardens.

Subd. 4. [GROUP II SALARY LIMITS.] The salaries for positions in this subdivision may not exceed 75 percent of the salary of the governor:

Ombudsman for corrections;  
Executive director of gambling control board;  
Commissioner of iron range resources and rehabilitation board;  
Commissioner, bureau of mediation services;  
Ombudsman for mental health and retardation;

Executive director of pari-mutuel racing;

Executive director, public employees retirement association;

Commissioner, public utilities commission;

Executive director, state retirement system;

Executive director, teacher's retirement association.

Subd. 5. [GROUP III SALARY LIMITS.] The salary for a position in this subdivision may not exceed 25 percent of the salary of the governor:

Chair, metropolitan airports commission.

Sec. 4. Minnesota Statutes 1994, section 15A.083, subdivision 5, is amended to read:

Subd. 5. [TAX COURT.] Salaries ~~The salary of judges a judge~~ of the tax court are ~~is~~ the same as the base salary for a district judges court judge as set under section 15A.082, ~~subdivision 3.~~

Sec. 5. Minnesota Statutes 1994, section 15A.083, subdivision 6a, is amended to read:

Subd. 6a. [ADMINISTRATIVE LAW JUDGE; ~~MAXIMUM SALARY~~ SALARIES.] The maximum salary of an administrative law judge in the classified service employed by the office of administrative hearings is 90 percent of the salary of a district court judges judge as set under section 15A.082, subdivision 3. The salary of the chief administrative law judge is the same as the salary of a district court judge as set under section 15A.082. The salaries of the assistant chief administrative law judge and the administrative law judge supervisor are 95 percent of the salary of a district court judge as set under section 15A.082.

Sec. 6. Minnesota Statutes 1994, section 15A.083, subdivision 7, is amended to read:

Subd. 7. [WORKERS' COMPENSATION COURT OF APPEALS AND COMPENSATION JUDGES.] Salaries of judges of the workers' compensation court of appeals are the same as the salary for district judges as set under section 15A.082, subdivision 3. Salaries of compensation judges are 75 90 percent of the salary of district court judges. The chief workers' compensation settlement judge at the department of labor and industry may be paid an annual salary that is up to five percent greater than the salary of workers' compensation settlement judges at the department of labor and industry.

Sec. 7. Minnesota Statutes 1994, section 43A.17, subdivision 1, is amended to read:

Subdivision 1. [SALARY LIMITS.] As used in subdivisions 1 to 9, "salary" means hourly, monthly, or annual rate of pay including any lump-sum payments and cost-of-living adjustment increases but excluding payments due to overtime worked, shift or equipment differentials, work out of class as required by collective bargaining agreements or plans established under section 43A.18, and back pay on reallocation or other payments related to the hours or conditions under which work is performed rather than to the salary range or rate to which a class is assigned. For presidents of state universities, "salary" does not include a housing allowance provided through a compensation plan approved under section 43A.18, subdivision 3a.

The salary, as established in section 15A.081 15A.0815, of the head of a state agency in the executive branch is the upper limit of compensation on the salaries of individual employees in the agency. The salary of the commissioner of labor and industry is the upper limit of compensation salaries of employees in the bureau of mediation services. However, if an agency head is assigned a salary that is lower than the current salary of another agency employee, the employee retains the salary, but may not receive an increase in salary as long as the salary is above that of the agency head. The commissioner may grant exemptions from these upper limits as provided in subdivisions 3 3a and 4.

Sec. 8. Minnesota Statutes 1994, section 43A.17, subdivision 3, is amended to read:

Subd. 3. [UNUSUAL EMPLOYMENT SITUATIONS.] Upon the request of the appointing

authority, and when the commissioner determines that changes in employment situations create difficulties in attracting or retaining employees, the commissioner may approve an unusual employment situation increase to advance an employee within the compensation plan. Such action will be consistent with applicable provisions of collective bargaining agreements or plans pursuant to section 43A.18. The commissioner shall review each proposal giving due consideration to salary rates paid to other employees in the same class and agency and may approve any request which in the commissioner's judgment is in the best interest of the state. ~~If the commissioner determines that the position requires special expertise necessitating a higher salary to attract or retain qualified persons, the commissioner may grant an exemption not to exceed 120 percent of the base salary of the head of the agency.~~

Sec. 9. Minnesota Statutes 1994, section 43A.17, is amended by adding a subdivision to read:

Subd. 3a. [SALARY LIMIT WAIVERS.] The commissioner may increase the limitation for a position that the commissioner has determined requires special expertise necessitating a higher salary to attract or retain a qualified person. The commissioner shall review each proposed increase giving due consideration to salary rates paid to other persons with similar responsibilities in the state and nation. The commissioner may not increase the limitation until the increase has been approved by the legislative coordinating commission under section 3.855, subdivisions 2 and 3.

Sec. 10. Minnesota Statutes 1995 Supplement, section 43A.18, subdivision 4, is amended to read:

Subd. 4. [PLANS NOT ESTABLISHED BUT APPROVED BY COMMISSIONER.] (a) Notwithstanding any other law to the contrary, terms and conditions of employment for employees listed in this subdivision must be set by appointing authorities within the limits of compensation plans that have been approved by the commissioner before becoming effective. Compensation plans established under ~~paragraphs~~ paragraph (c) ~~and (d)~~, must be reviewed and approved, modified, or rejected by the legislature and the legislative commission on employee relations under section 3.855, subdivision 2, before becoming effective.

(b) Total compensation for employees who are not covered by a collective bargaining agreement in the offices of the governor, lieutenant governor, attorney general, secretary of state, state auditor, and state treasurer must be determined by the governor, lieutenant governor, attorney general, secretary of state, state auditor, and state treasurer, respectively.

~~(c) Total compensation for classified administrative law judges in the office of administrative hearings must be determined by the chief administrative law judge.~~

~~(d) Total compensation for unclassified positions not covered by a collective bargaining agreement in the higher education services office must be determined by the higher education services office.~~

Sec. 11. Minnesota Statutes 1994, section 85A.02, subdivision 5a, is amended to read:

Subd. 5a. [EMPLOYEES.] (a) The board shall appoint an administrator who shall serve as the executive secretary and principal administrative officer of the board and, subject to its approval, ~~the administrator shall operate the Minnesota zoological garden and enforce all rules and policy decisions of the board. The administrator must be chosen solely on the basis of training, experience, and other qualifications appropriate to the field of zoo management and development. The board shall set the compensation for the administrator within the limits established for the commissioner of agriculture in section 15A.081, subdivision 1.~~ The administrator shall perform duties assigned by the board and shall ~~serve~~ serves in the unclassified service at the pleasure of the board. The administrator, with the participation of the board, shall appoint a development director in the unclassified service or contract with a development consultant to establish mechanisms to foster community participation in and community support for the Minnesota zoological garden. The board may employ other necessary professional, technical, and clerical personnel. Employees of the zoological garden are eligible for salary supplement in the same manner as employees of other state agencies. The commissioner of finance shall determine the amount of salary supplement based on available funds.

(b) The board may contract with individuals to perform professional services and may contract for the purchases of necessary species exhibits, supplies, services, and equipment. The board may also contract for the construction and operation of entertainment facilities on the zoo grounds that are not directly connected to ordinary functions of the zoological garden. The zoo board ~~shall~~ may not enter into ~~any~~ a final agreement for construction of ~~any~~ an entertainment facility that is not directly connected to the ordinary functions of the zoo until after final construction plans have been submitted to the chairs of the senate finance and house appropriations committees for their recommendations.

The zoo may not contract for entertainment during the period of the Minnesota state fair that would directly compete with entertainment at the Minnesota state fair.

Sec. 12. Minnesota Statutes 1994, section 298.22, subdivision 1, is amended to read:

Subdivision 1. (1) ~~The office of governor shall appoint the commissioner of iron range resources and rehabilitation is created. The commissioner shall be appointed by the governor under the provisions of section 15.06.~~

(2) The commissioner may hold ~~such~~ other positions or appointments as that are not incompatible with duties as commissioner of iron range resources and rehabilitation. The commissioner may appoint a deputy commissioner. All expenses of the commissioner, including the payment of such assistance as may be necessary, ~~shall~~ must be paid out of the amounts appropriated by section 298.28. ~~The compensation of the commissioner shall be set by the legislative coordinating commission and may not exceed the maximum salary set for the commissioner of administration under section 15A.081, subdivision 1.~~

(3) When the commissioner ~~shall determine~~ determines that distress and unemployment exists or may exist in the future in any county by reason of the removal of natural resources or a possibly limited use ~~thereof~~ of natural resources in the future and ~~the~~ any resulting decrease in employment ~~resulting therefrom, now or hereafter,~~ the commissioner may use ~~such~~ whatever amounts of the appropriation made to the commissioner of revenue in section 298.28 as ~~that are determined to be necessary and proper in the development of the remaining resources of said the county and in the vocational training and rehabilitation of its residents, except that the amount needed to cover cost overruns awarded to a contractor by an arbitrator in relation to a contract awarded by the commissioner or in effect after July 1, 1985, is appropriated from the general fund. For the purposes of this section, "development of remaining resources" includes, but is not limited to, the promotion of tourism.~~

Sec. 13. Minnesota Statutes 1995 Supplement, section 349A.02, subdivision 1, is amended to read:

Subdivision 1. [DIRECTOR.] A state lottery is established under the supervision and control of the director of the state lottery appointed by the governor with the advice and consent of the senate. The director must be qualified by experience and training in the operation of a lottery to supervise the lottery. The director serves in the unclassified service. The annual salary rate authorized for the director is equal to ~~80~~ 85 percent of the salary rate prescribed for the governor ~~as of the effective date of Laws 1993, chapter 146.~~

Sec. 14. [COMPENSATION COUNCIL RECOMMENDATIONS.]

(a) The salaries of constitutional officers and judges are increased on January 6, 1997, by the lesser of:

(1) the April 1, 1995, recommendation of the compensation council to take effect in 1997; or

(2) the average of the across-the-board increases for the fiscal year ending June 30, 1996, included in collective bargaining agreements and arbitration awards that have been ratified by the legislature in 1996. On July 1, 1996, the commissioner of employee relations shall calculate and report to the committee on finance of the senate and the ways and means committee of the house of representatives the average across-the-board increases that have been ratified by the legislature in 1996. The across-the-board increases must be weighted by the number of full-time-equivalent

employees covered by the contract or arbitration award for the fiscal year ending June 30, 1996. This calculation must be used to determine the increases provided in this paragraph.

(b) The salaries of constitutional officers and judges are increased on January 1, 1998, by the lesser of:

(1) the April 1, 1995, recommendation of the compensation council to take effect in 1998; or

(2) the average of the across-the-board increases for the fiscal year ending June 30, 1997, included in collective bargaining agreements and arbitration awards that have been ratified by the legislature in 1996. On July 1, 1996, the commissioner of employee relations shall calculate and report to the committee on finance of the senate and the ways and means committee of the house of representatives the average across-the-board increases that have been ratified by the legislature in 1996. The across-the-board increases must be weighted by the number of full-time-equivalent employees covered by the contract or arbitration award for the fiscal year ending June 30, 1996. This calculation must be used to determine the increases provided in this paragraph.

Sec. 15. [PHASE-IN OF SALARY INCREASES.]

(a) Notwithstanding Minnesota Statutes, section 15A.083, subdivision 6a, the salary of an administrative law judge in the classified service employed by the office of administrative hearings is 85 percent of the salary of a district court judge as set under Minnesota Statutes, section 15A.082, effective July 1, 1996. After June 30, 1997, the salary of an administrative law judge in the classified service employed by the office of administrative hearings is governed by Minnesota Statutes, section 15A.083, subdivision 6a.

(b) Notwithstanding Minnesota Statutes, section 15A.083, subdivision 6a, the salary of the assistant chief administrative law judge and the administrative law judge supervisor in the office of administrative hearings is 85 percent of the salary of a district court judge as set under Minnesota Statutes, section 15A.082, effective July 1, 1995, and 90 percent of that salary effective July 1, 1996. After June 30, 1997, the salary of the assistant chief administrative law judge and the administrative law judge supervisor is governed by Minnesota Statutes, section 15A.083, subdivision 6a.

(c) Notwithstanding Minnesota Statutes, section 15A.083, subdivision 7, the salary of compensation judges is 80 percent of the salary of a district court judge as set under Minnesota Statutes, section 15A.082, effective July 1, 1995, and 85 percent of that salary effective July 1, 1996. After June 30, 1997, the salary of compensation judges is governed by Minnesota Statutes, section 15A.083, subdivision 7.

Sec. 16. [REVISOR INSTRUCTION.]

The revisor of statutes shall substitute the reference "section 15A.0815" for each reference to sections 15A.081, subdivisions 1, 7, and 7b, and 43A.18, subdivision 5, wherever they occur in the next edition of Minnesota Statutes and Minnesota Rules.

Sec. 17. [REPEALER.]

Minnesota Statutes 1994, section 43A.18, subdivision 5; and Minnesota Statutes 1995 Supplement, section 15A.081, subdivisions 1, 7, and 7b, are repealed.

Sec. 18. [EFFECTIVE DATE.]

Sections 1 to 7, 11, and 12 are effective retroactively to July 1, 1995.

Sections 8 to 10 and 13 to 17 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to employment; establishing and modifying certain salary limits; amending Minnesota Statutes 1994, sections 15A.081, subdivision 8; 15A.083, subdivisions 5, 6a, and 7; 43A.17, subdivisions 1, 3, and by adding a subdivision; 85A.02, subdivision 5a; and

298.22, subdivision 1; Minnesota Statutes 1995 Supplement, sections 3.855, subdivision 3; 43A.18, subdivision 4; and 349A.02, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 15A; repealing Minnesota Statutes 1994, section 43A.18, subdivision 5; and Minnesota Statutes 1995 Supplement, section 15A.081, subdivisions 1, 7, and 7b."

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

**Ms. Flynn from the Committee on Transportation and Public Transit, to which was re-referred**

**S.F. No. 1164:** A bill for an act relating to transportation; allowing department of health division of disease prevention and control to use unmarked motor vehicles and passenger vehicle license plates; allowing commissioner of transportation to act as agent to accept federal money for nonpublic organizations for transportation purposes; increasing maximum lump sum utility adjustment amount allowed for relocating utility facility; eliminating percentage limit for funding transportation research projects and providing for federal research funds and research partnerships; allowing counties more authority in disbursing certain state-aid highway funds; eliminating requirement to have permit identifying number affixed to highway billboard; eliminating legislative route No. 331 from trunk highway system and turning it back to the jurisdiction of Fillmore county; allowing fire departments to use public roads for hydrants or dry hydrants; making technical corrections; amending Minnesota Statutes 1994, sections 16B.54, subdivision 2; 161.085; 161.36, subdivisions 1, 2, 3, and 4; 161.46, subdivision 3; 161.53; 162.08, subdivisions 4 and 7; 162.14, subdivision 6; 168.012, subdivision 1; 173.07, subdivision 1; 174.04; 227.37, subdivision 1; repealing Minnesota Statutes 1994, sections 161.086; 161.115, subdivision 262.

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

Page 10, after line 27, insert:

"Sec. 13. Minnesota Statutes 1994, section 169.85, is amended to read:

169.85 [WEIGHING; PENALTY.]

The driver of a vehicle which has been lawfully stopped may be required by a peace officer to submit the vehicle and load to a weighing by means of portable or stationary scales, and the peace officer may require that the vehicle be driven to the nearest available scales if the distance to the scales is no further than five miles, or if the distance from the point where the vehicle is stopped to the vehicle's destination is not increased by more than ten miles as a result of proceeding to the nearest available scales. Official traffic control devices as authorized by section 169.06 may be used to direct the driver to the nearest scale. When a truck weight enforcement operation is conducted by means of portable or stationary scales and signs giving notice of the operation are posted within the highway right-of-way and adjacent to the roadway within two miles of the operation, the driver of a truck or combination of vehicles registered for or weighing in excess of 12,000 pounds, and the driver of a charter bus, except a bus registered in Minnesota, shall proceed to the scale site and submit the vehicle to weighing and inspection.

Upon weighing a vehicle and load, as provided in this section, an officer may require the driver to stop the vehicle in a suitable place and remain standing until a portion of the load is removed that is sufficient to reduce the gross weight of the vehicle to the limit permitted under section 169.825. A suitable place is a location where loading or tampering with the load is not prohibited by federal, state, or local law, rule or ordinance. A driver may be required to unload a vehicle only if the weighing officer determines that (a) on routes subject to the provisions of section 169.825, the weight on an axle exceeds the lawful gross weight prescribed by section 169.825, by 2,000 pounds or more, or the weight on a group of two or more consecutive axles in cases where the distance between the centers of the first and last axles of the group under consideration is ten feet or less exceeds the lawful gross weight prescribed by section 169.825, by 4,000 pounds or more; or (b) on routes designated by the commissioner in section 169.832, subdivision 11, the overall weight of the vehicle or the weight on an axle or group of consecutive axles exceeds the maximum

lawful gross weights prescribed by section 169.825; or (c) the weight is unlawful on an axle or group of consecutive axles on a road restricted in accordance with section 169.87. Material unloaded must be cared for by the owner or driver of the vehicle at the risk of the owner or driver.

A driver of a vehicle who fails or refuses to stop and submit the vehicle and load to a weighing as required in this section, or who fails or refuses, when directed by an officer upon a weighing of the vehicle, to stop the vehicle and otherwise comply with the provisions of this section, is guilty of a misdemeanor.

Sec. 14. Minnesota Statutes 1995 Supplement, section 169.862, is amended to read:

169.862 [PERMITS FOR WIDE LOADS OF BALED AGRICULTURAL PRODUCTS.]

The commissioner of transportation with respect to highways under the commissioner's jurisdiction, and local authorities with respect to highways under their jurisdiction, may issue an annual permit to enable a vehicle carrying round bales of hay, straw, or cornstalks, with a total outside width of the vehicle or the load not exceeding 11-1/2 feet, to be operated on public streets and highways. The commissioner of transportation and local authorities may issue an annual permit to enable a vehicle, having a maximum width of 102 inches, carrying a first haul of square bales of straw, each bale having a minimum size of four feet by four feet by eight feet, with a total outside width of the load not exceeding 12 feet, to be operated on public streets and highways between August 1 and ~~December~~ March 1 within 35 miles of the border between this state and the state of North Dakota. The commissioner of transportation and local authorities may issue an annual permit to enable a vehicle carrying square bales of hay, each with an outside dimension of not less than three feet by four feet by seven feet, with a total height of the loaded vehicle not exceeding 15 feet, to be operated on those public streets and highways designated in the permit. Permits issued under this section are governed by the applicable provisions of section 169.86 except as otherwise provided herein and, in addition, carry the following restrictions:

(a) The vehicles may not be operated between sunset and sunrise, when visibility is impaired by weather, fog, or other conditions rendering persons and vehicles not clearly visible at a distance of 500 feet, or on Sunday from noon until sunset, or on the days the following holidays are observed: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

(b) The vehicles may not be operated on interstate highways.

(c) The vehicles may not be operated on a trunk highway with a pavement less than 24 feet wide.

(d) A vehicle operated under the permit must be equipped with a retractable or removable mirror on the left side so located that it will reflect to the driver a clear view of the highway for a distance of at least 200 feet to the rear of the vehicle.

(e) A vehicle operated under the permit must display red, orange, or yellow flags, 18 inches square, as markers at the front and rear and on both sides of the load. The load must be securely bound to the transporting vehicle.

(f) Farm vehicles not for hire carrying round baled hay less than 20 miles are exempt from the requirement to obtain a permit. All other requirements of this section apply to vehicles transporting round baled hay.

The fee for the permit is \$24."

Page 12, after line 7, insert:

"Sec. 17. Minnesota Statutes 1995 Supplement, section 221.0355, subdivision 5, is amended to read:

Subd. 5. [HAZARDOUS WASTE TRANSPORTERS.] (a) A carrier with its principal place of business in Minnesota or who designates Minnesota as its base state shall file a disclosure statement with and obtain a permit from the commissioner that specifically authorizes the

transportation of hazardous waste before transporting a hazardous waste in Minnesota. A carrier that designates another participating state as its base state shall file a disclosure statement with and obtain a permit from that state that specifically authorizes the transportation of hazardous waste before transporting a hazardous waste in Minnesota. A registration is valid for one year from the date a notice of registration form is issued and a permit is valid for three years from the date issued or until a carrier fails to renew its registration, whichever occurs first.

(b) A disclosure statement must include the information contained in part III of the uniform application. A person who has direct management responsibility for a carrier's hazardous waste transportation operations shall submit a full set of the person's fingerprints, with the carrier's disclosure statement, for identification purposes and to enable the commissioner to determine whether the person has a criminal record. The commissioner shall send the person's fingerprints to the Federal Bureau of Investigation and shall request the bureau to conduct a check of the person's criminal record. The commissioner shall not issue a notice of registration or permit to a hazardous waste transporter who has not made a full and accurate disclosure of the required information or paid the fees required by this subdivision. Making a materially false or misleading statement in a disclosure statement is prohibited.

(c) The commissioner shall assess a carrier the actual costs incurred by the commissioner for conducting the uniform program's required investigation of the information contained in a disclosure statement.

(d) A permit under this subdivision becomes a license under section 221.035, subdivision 1, on August 1, 1996 1997, and is subject to the provisions of section 221.035 until it expires.

Sec. 18. Minnesota Statutes 1995 Supplement, section 221.0355, subdivision 15, is amended to read:

Subd. 15. [HAZARDOUS WASTE LICENSES.] (a) From October 1, 1994, until August 1, 1996 1997, the commissioner shall not register hazardous material transporters under section 221.0335 or license hazardous waste transporters under section 221.035. A person who is licensed under section 221.035 need not obtain a permit under subdivision 4 or 5 for the transportation of hazardous waste in Minnesota, until the person's license has expired. A carrier wishing to transport hazardous waste in another participating state shall obtain a permit under the uniform program authorizing the transportation.

(b) The commissioner may refund fees paid under section 221.035, minus a proportional amount calculated on a monthly basis for each month that a hazardous waste transporter license was valid, to a person who was issued a hazardous waste transporter license after May 5, 1994, who applied for a permit authorizing the transportation of hazardous waste under subdivisions 4 and 5 before October 1, 1994, and who was subsequently issued that permit under the uniform program."

Page 13, after line 3, insert:

"Sec. 20. Laws 1994, chapter 589, section 8, is amended to read:

Sec. 8. [REPEALER.]

Minnesota Statutes 1992, section 221.033, subdivision 4, is repealed. Section 5 is repealed effective August 1, 1996 1997."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 14, after the semicolon, insert "allowing issuance of permits for certain wide load transportation; exempting charter buses from certain weighing procedures;"

Page 1, line 18, after the semicolon, insert "extending hazardous material licensing program to August 1, 1997;"

Page 1, line 24, after "1;" insert "169.85;"

Page 1, line 25, after the second "1;" insert "Minnesota Statutes 1995 Supplement, sections 169.862; and 221.0355, subdivisions 5 and 15; Laws 1994, chapter 589, section 8;"

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

**Mr. Price from the Committee on Commerce and Consumer Protection, to which was referred**

**S.F. No. 950:** A bill for an act relating to commerce; regulating the enforcement of copyright licenses on certain nondramatic musical works and similar works; requiring certain notices; prohibiting certain practices; providing remedies; proposing coding for new law in Minnesota Statutes, chapter 325E.

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

Delete everything after the enacting clause and insert:

"Section 1. [325E.50] [DEFINITIONS.]

Subdivision 1. [TERMS.] For purposes of sections 325E.50 to 325E.57, the terms defined in this section have the meanings given them.

Subd. 2. [COPYRIGHT OWNER.] "Copyright owner" means the owner of a copyright of a nondramatic musical work recognized and enforceable under the copyright laws of the United States under United States Code, title 17, sections 101 to 810.

Subd. 3. [PERFORMING RIGHTS SOCIETY.] "Performing rights society" means an association, corporation, or other entity that licenses the public performance of nondramatic musical works on behalf of copyright owners, such as the American Society of Composers, Authors, and Publishers (ASCAP); Broadcast Music, Inc. (BMI); and SESAC, Inc.

Subd. 4. [PROPRIETOR.] "Proprietor" means the owner of a retail establishment, office, restaurant, inn, bar, tavern, or any other similar establishment or place of business located in this state in which the public may assemble and in which nondramatic musical works may be performed, broadcast, or otherwise transmitted.

Subd. 5. [ROYALTY OR ROYALTIES.] "Royalty" or "royalties" means the license fees payable by a proprietor to a performing rights society for the public performance of nondramatic musical works.

Sec. 2. [325E.51] [LICENSING NEGOTIATIONS.]

No performing rights society shall enter into, or offer to enter into, a contract for the payment of royalties by a proprietor unless at the time of the offer, or any time thereafter, but no later than 72 hours prior to the execution of that contract, it provides to the proprietor, in writing, the following:

(1) a schedule of the rates and terms of royalties under the contract;

(2) upon the request of the proprietor, the opportunity to review the most current available list of the members or affiliates represented by the society; and

(3) notice that it will make available, upon written request of any proprietor, at the sole expense of the proprietor, the most current available listing of the copyrighted musical works in the performing rights society's repertory, provided that the notice shall specify the means by which the information can be secured.

Sec. 3. [325E.52] [ROYALTY CONTRACT REQUIREMENTS.]

Every contract for the payment of royalties between a proprietor and a performing rights society executed in this state must be in writing and signed by the parties and must include, at a minimum, the following information:

- (1) the proprietor's name and business address and the name and location of each place of business to which the contract applies;
- (2) the name of the performing rights society;
- (3) the duration of the contract; and
- (4) the schedule of rates and terms of the royalties to be collected under the contract, including any sliding scale or schedule for any increase or decrease of rates for the duration of the contract.

Sec. 4. [325E.53] [IMPROPER LICENSING PRACTICES.]

No performing rights society or any agent or employee of a performing rights society shall: (1) collect, or attempt to collect, from a proprietor licensed by that performing rights society, a royalty payment except as provided in a contract executed pursuant to this act; or (2) enter into the premises of a proprietor's business for the purpose of discussing a contract for payment of royalties for the use of copyrighted works by that proprietor without first identifying himself or herself to the proprietor or the proprietor's employees and disclosing that the agent is acting on behalf of the performing rights society and disclosing the purpose of this discussion.

Sec. 5. [325E.54] [INVESTIGATION.]

Nothing in sections 325E.50 to 325E.57 shall be construed to prohibit a performing rights society from conducting investigations to determine the existence of music use by a proprietor or informing a proprietor of the proprietor's obligation under the federal copyright law, United States Code, title 17.

Sec. 6. [325E.55] [REMEDIES; INJUNCTION.]

A person who suffers a violation of sections 325E.50 to 325E.57 may bring an action to recover actual damages and reasonable attorney's fees and seek an injunction or any other available remedy.

Sec. 7. [325E.56] [REMEDIES CUMULATIVE.]

The rights, remedies, and prohibitions contained in sections 325E.50 to 325E.57 are in addition to and cumulative of any other right, remedy, or prohibition accorded by common law, or state or federal law. Nothing contained in sections 325E.50 to 325E.57 shall be construed to deny, abrogate, or impair any such common law or statutory right, remedy, or prohibition.

Sec. 8. [325E.57] [EXCEPTIONS.]

Sections 325E.50 to 325E.57 do not apply to contracts between copyright owners or performing rights societies and broadcasters licensed by the Federal Communications Commission, or to contracts with cable operators, programmers, or other transmission services. Sections 325E.50 to 325E.57 do not apply to musical works performed in synchronization with an audio/visual film or tape, or to the gathering of information for determination of compliance with or activities related to the enforcement of sections 325E.169 to 325E.201."

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

**Ms. Flynn from the Committee on Transportation and Public Transit, to which was referred**

**S.F. No. 1865:** A bill for an act relating to motor vehicles; allowing special motorcycle license plates for Vietnam veterans; amending Minnesota Statutes 1994, section 168.123, subdivisions 1 and 4.

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

Page 2, after line 34, insert:

"Sec. 3. Minnesota Statutes 1995 Supplement, section 171.04, subdivision 1, is amended to read:

Subdivision 1. [PERSONS NOT ELIGIBLE.] The department shall not issue a driver's license hereunder:

(1) To any person who is under the age of 16 years; to any person under 18 years unless such person shall have successfully completed a course in driver education, including both classroom and behind-the-wheel instruction, approved by the state board of education for courses offered through the public schools, or, in the case of a course offered by a private, commercial driver education school or institute, by the department of public safety; except when such person has completed a course of driver education in another state or has a previously issued valid license from another state or country; nor to any person under 18 years unless the application of license is approved by either parent when both reside in the same household as the minor applicant, otherwise the parent or spouse of the parent having custody or with whom the minor is living in the event there is no court order for custody, or guardian having the custody of such minor, or in the event a person under the age of 18 has no living father, mother or guardian, the license shall not be issued to such person unless the application therefor is approved by the person's employer. Driver education courses offered in any public school shall be open for enrollment to persons between the ages of 15 and 18 years residing in the school district or attending school therein. Any public school offering driver education courses may charge an enrollment fee for the driver education course which shall not exceed the actual cost thereof to the public school and the school district. The approval required herein shall contain a verification of the age of the applicant;

(2) To any person who is under the age of 18 years unless the person has applied for, been issued, and possessed the appropriate instruction permit for a minimum of six months;

(3) To any person whose license has been suspended during the period of suspension except that a suspended license may be reinstated during the period of suspension upon the licensee furnishing proof of financial responsibility in the same manner as provided in the Minnesota no-fault automobile insurance act;

~~(3)~~ (4) To any person whose license has been revoked except upon furnishing proof of financial responsibility in the same manner as provided in the Minnesota no-fault automobile insurance act and if otherwise qualified;

~~(4)~~ (5) To any person who is a drug dependent person as defined in section 254A.02, subdivision 5;

(5) (6) To any person who has been adjudged legally incompetent by reason of mental illness, mental deficiency, or inebriation, and has not been restored to capacity, unless the department is satisfied that such person is competent to operate a motor vehicle with safety to persons or property;

~~(6)~~ (7) To any person who is required by this chapter to take an examination, unless such person shall have successfully passed such examination;

~~(7)~~ (8) To any person who is required under the provisions of the Minnesota no-fault automobile insurance act of this state to deposit proof of financial responsibility and who has not deposited such proof;

(8) (9) To any person when the commissioner has good cause to believe that the operation of a motor vehicle on the highways by such person would be inimical to public safety or welfare;

(9) (10) To any person when, in the opinion of the commissioner, such person is afflicted with or suffering from such physical or mental disability or disease as will affect such person in a manner to prevent the person from exercising reasonable and ordinary control over a motor vehicle while operating the same upon the highways; nor to a person who is unable to read and understand official signs regulating, warning, and directing traffic;

~~(40)~~ (11) To a child for whom a court has ordered denial of driving privileges under section 260.191, subdivision 1, or 260.195, subdivision 3a, until the period of denial is completed; or

~~(44)~~ (12) To any person whose license has been canceled, during the period of cancellation.

Sec. 4. Minnesota Statutes 1994, section 171.05, is amended by adding a subdivision to read:

Subd. 2a. [PERMIT FOR SIX MONTHS.] An applicant who has applied for and received an instruction permit pursuant to subdivision 2 must possess the instruction permit for not less than six months before qualifying for a driver's license."

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "imposing conditions on issuance of driver's licenses to persons under age 18;"

Page 1, line 4, delete "section" and insert "sections"

Page 1, line 5, before the period, insert "; and 171.05, by adding a subdivision; Minnesota Statutes 1995 Supplement, section 171.04, subdivision 1"

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

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

**S.F. No. 2476:** A bill for an act relating to courts; clarifying the process for applying for a writ of certiorari; amending Minnesota Statutes 1994, section 606.01.

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

Page 1, after line 5, insert:

"Section 1. [543.21] [SERVICE OF CERTAIN GOVERNMENT ENTITIES.]

If a writ is to be issued to, or a complaint is to be served on, a board or agency created by statute or home rule charter, the writ or complaint shall be captioned in the name of the board or agency and served on the chair or an officer of the board or agency."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, before the period, insert "; proposing coding for new law in Minnesota Statutes, chapter 543"

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

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

**H.F. No. 2112:** A bill for an act relating to the environment; authorizing establishment of municipal individual sewage treatment system and contaminated well loan programs; proposing coding for new law in Minnesota Statutes, chapter 115.

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

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

**H.F. No. 2391:** A bill for an act relating to commerce; petroleum tank release cleanup;

regulating reimbursement; providing enforcement authority to the commissioner of commerce; making various technical changes; amending Minnesota Statutes 1994, sections 115C.02, by adding a subdivision; 115C.03, subdivision 8; 115C.06; and 115C.09, as amended; Minnesota Statutes 1995 Supplement, sections 115C.02, subdivision 11a; 115C.092, subdivision 1; 115C.10, subdivision 1; 115C.11, subdivision 1; and 115C.12; proposing coding for new law in Minnesota Statutes, chapter 115C; repealing Minnesota Statutes 1994, section 115C.11, subdivisions 3 and 4; Minnesota Statutes 1995 Supplement, section 115C.11, subdivision 2.

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

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

**S.F. No. 2503:** A bill for an act relating to natural resources; modifying the provisions for the control and management of exotic species; providing penalties; amending Minnesota Statutes 1994, section 97A.211, subdivisions 1 and 2; Minnesota Statutes 1995 Supplement, sections 84.027, subdivision 13; 97A.205; and 97A.221, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 84D; repealing Minnesota Statutes 1994, sections 84.967; 84.968, subdivision 2; 84.969; 84.9692, subdivisions 3, 4, 5, and 6; 84.996; and 103G.617; Minnesota Statutes 1995 Supplement, sections 18.316; 18.317; 84.968, subdivision 1; 84.9691; 84.9692, subdivisions 1, 1a, and 2; and 86B.401, subdivision 11.

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

Delete everything after the enacting clause and insert:

"ARTICLE I  
HARMFUL EXOTIC SPECIES

Section 1. [84D.01] [DEFINITIONS.]

Subdivision 1. [TERMS.] For the purposes of this chapter, the following terms have the meanings given them.

Subd. 2. [AQUATIC MACROPHYTE.] "Aquatic macrophyte" means a nonwoody plant, either a submerged, floating leafed, floating, or emergent plant that naturally grows in water or hydric soils.

Subd. 3. [COMMISSIONER.] "Commissioner" means the commissioner of the department of natural resources.

Subd. 4. [DEPARTMENT.] "Department" means the department of natural resources.

Subd. 5. [EXOTIC SPECIES.] "Exotic species" means a wild animal species or aquatic plant species that is not a native species.

Subd. 6. [EURASIAN WATER MILFOIL.] "Eurasian water milfoil" means *Myriophyllum spicatum*.

Subd. 7. [HARMFUL EXOTIC SPECIES.] "Harmful exotic species" means an exotic species that can naturalize and either:

(1) causes or may cause displacement of, or otherwise threaten, native species in their natural communities; or

(2) threatens or may threaten natural resources or their use in the state.

Subd. 8. [INFESTED WATERS.] "Infested waters" means waters of the state designated in rules adopted by the commissioner under section 84D.12.

Subd. 9. [INTRODUCTION.] "Introduction" means the release or escape of an exotic species into a free-living state.

Subd. 10. [LIMITED INFESTATION OF EURASIAN WATER MILFOIL.] "Limited infestation of Eurasian water milfoil" means a body of water designated in rules adopted by the commissioner under section 84D.12.

Subd. 11. [NATIVE SPECIES.] "Native species" means an animal or plant species naturally present and reproducing within this state or that naturally expands from its historic range into this state.

Subd. 12. [NATURALIZE.] "Naturalize" means to establish a self-sustaining population of exotic species in the wild outside of its natural range.

Subd. 13. [PROHIBITED EXOTIC SPECIES.] "Prohibited exotic species" means an exotic species that has been designated as a prohibited exotic species in a rule adopted by the commissioner under section 84D.12.

Subd. 14. [PURPLE LOOSESTRIFE.] "Purple loosestrife" means *Lythrum salicaria*, *Lythrum virgatum*, or combinations thereof.

Subd. 15. [REGULATED EXOTIC SPECIES.] "Regulated exotic species" means an exotic species that has been designated as a regulated exotic species in a rule adopted by the commissioner under section 84D.12.

Subd. 16. [TRANSPORT.] "Transport" means to cause or attempt to cause a species to be carried or moved into or within the state, and includes accepting or receiving the species for transportation or shipment. Transport does not include the unintentional transport of a species within a water of the state or to a connected water of the state where the species being transported is already present.

Subd. 17. [UNLISTED EXOTIC SPECIES.] "Unlisted exotic species" means an exotic species that has not been designated as a prohibited exotic species, a regulated exotic species, or an unregulated exotic species in a rule adopted by the commissioner under section 84D.12.

Subd. 18. [UNREGULATED EXOTIC SPECIES.] "Unregulated exotic species" means an exotic species that has been designated as an unregulated exotic species in a rule adopted by the commissioner under section 84D.12.

Subd. 19. [WATERCRAFT.] "Watercraft" means a contrivance used or designed for navigation on water and includes seaplanes.

Subd. 20. [WATERS OF THE STATE.] "Waters of the state" has the meaning given in section 97A.015, subdivision 54.

Subd. 21. [WILD ANIMAL.] "Wild animal" means a living creature, not human, wild by nature, endowed with sensation and power of voluntary motion.

Subd. 22. [ZEBRA MUSSEL.] "Zebra mussel" means a species of the genus *Dreissena*.

Sec. 2. [84D.02] [HARMFUL EXOTIC SPECIES MANAGEMENT PROGRAM.]

Subdivision 1. [ESTABLISHMENT.] The commissioner shall establish a statewide program to prevent and curb the spread of harmful exotic species. The program must provide for coordination among governmental entities and private organizations to the extent practicable. The commissioner shall seek available federal funding and grants for the program.

Subd. 2. [PURPLE LOOSESTRIFE AND EURASIAN WATER MILFOIL PROGRAMS.] (a) The program required in subdivision 1 must include specific programs to curb the spread and manage the growth of purple loosestrife and Eurasian water milfoil. These programs must include:

(1) compiling inventories and monitoring the growth of purple loosestrife and Eurasian water milfoil in the state, for which the commissioner may use volunteers;

(2) publication and distribution of informational materials to boaters and lakeshore owners;

(3) cooperative research with the University of Minnesota and other public and private research facilities to study the use of nonchemical control methods, including biological control methods; and

(4) managing the growth of Eurasian water milfoil and purple loosestrife in coordination with appropriate local units of government, special purpose districts, and lakeshore associations, to include providing requested technical assistance.

(b) The commissioners of agriculture and transportation shall cooperate with the commissioner to establish, implement, and enforce the purple loosestrife program.

Subd. 3. [MANAGEMENT PLAN.] By July 1, 1997, the commissioner shall prepare a long-term plan, which may include specific plans for individual species, for the statewide management of harmful exotic species. The plan must address:

(1) coordinated detection and prevention of accidental introductions;

(2) coordinated dissemination of information about harmful exotic species among resource management agencies and organizations;

(3) a coordinated public education and awareness campaign;

(4) coordinated control of selected harmful exotic species on lands and public waters;

(5) participation by lake associations, local citizen groups, and local units of government in the development and implementation of local management efforts;

(6) a reasonable and workable inspection requirement for watercraft and equipment including those participating in organized events on the waters of the state;

(7) the closing of points of access to infested waters, if the commissioner determines it is necessary, for a total of not more than seven days during the open water season for control or eradication purposes;

(8) maintaining public accesses on infested waters to be reasonably free of aquatic macrophytes; and

(9) notice to travelers of the penalties for violation of laws relating to harmful exotic species.

Subd. 4. [INSPECTION OF WATERCRAFT.] The commissioner shall authorize personnel to inspect, between May 1 and October 15 for a minimum of 20,000 hours, watercraft and associated equipment, including weed harvesters, that leave or are removed from infested waters.

Subd. 5. [REGIONAL COOPERATION.] The commissioner shall seek cooperation with other states and Canadian provinces for the purposes of management and control of harmful exotic species.

Subd. 6. [ANNUAL REPORT.] By January 15 each year, the commissioner shall submit a report on harmful exotic species to the legislative committees having jurisdiction over environmental and natural resource issues. The report must include:

(1) detailed information on expenditures for administration, education, management, inspections, and research;

(2) an analysis of the effectiveness of management activities conducted in the state, including chemical control, harvesting, educational efforts, and inspections;

(3) information on the participation of other state agencies, local government units, and interest groups in control efforts;

(4) information on management efforts in other states;

(5) information on the progress made in the management of each species; and

(6) an assessment of future management needs.

Sec. 3. [84D.03] [INFESTED WATERS; LIMITED INFESTATIONS OF EURASIAN WATER MILFOIL.]

Subdivision 1. [INFESTED WATERS.] The commissioner shall designate a water of the state as an infested water if the commissioner determines that the water contains a harmful exotic species that could spread to other waters if use of the water and related activities are not regulated to prevent this.

Subd. 2. [LIMITED INFESTATIONS OF EURASIAN WATER MILFOIL.] (a) The commissioner shall designate a water of the state as a limited infestation of Eurasian water milfoil if:

(1) the commissioner determines that Eurasian water milfoil occupies less than 20 percent of the littoral area of the water, up to a maximum of ten acres;

(2) mechanical harvesting is not used to manage Eurasian water milfoil in the water; and

(3) Eurasian water milfoil control is planned for the water.

(b) The commissioner shall mark limited infestations of Eurasian water milfoil in accordance with rules adopted by the commissioner under section 84D.12.

(c) Except as provided in rules adopted under section 84D.12, a person may not enter a marked area of a limited infestation of Eurasian water milfoil.

Sec. 4. [84D.04] [CLASSIFICATION OF EXOTIC SPECIES.]

Subdivision 1. [CLASSES.] The commissioner shall, as provided in this chapter, classify exotic species according to the following categories:

(1) prohibited exotic species, which may not be possessed, imported, purchased, sold, propagated, transported, or introduced except as provided in section 84D.05;

(2) regulated exotic species, which may not be introduced except as provided in section 84D.07;

(3) unlisted exotic species, which are subject to the classification procedure in section 84D.06; and

(4) unregulated exotic species, which are not subject to regulation under this chapter.

Subd. 2. [CRITERIA.] The commissioner shall consider the following criteria in classifying an exotic species under this chapter:

(1) the likelihood of introduction of the species if it is allowed to enter or exist in the state;

(2) the likelihood that the species would naturalize in the state were it introduced;

(3) the magnitude of potential adverse impacts of the species on native species and on outdoor recreation, commercial fishing, and other uses of natural resources in the state;

(4) the ability to eradicate or control the spread of the species once it is introduced in the state; and

(5) other criteria the commissioner deems appropriate.

Sec. 5. [84D.05] [PROHIBITED EXOTIC SPECIES.]

Subdivision 1. [PROHIBITED ACTIVITIES.] A person may not possess, import, purchase, sell, propagate, transport, or introduce a prohibited exotic species, except:

(1) under a permit issued by the commissioner under section 84D.11;

(2) in the case of purple loosestrife, as provided by sections 18.75 to 18.88;

(3) under a restricted species permit issued under section 17.457;

(4) when being transported to the department, or another destination as the commissioner may direct, in a sealed container for purposes of identifying the species or reporting the presence of the species;

(5) when being transported for disposal as part of a harvest or control activity under a permit issued by the commissioner pursuant to section 103G.615, or as specified by the commissioner;

(6) when the specimen has been lawfully acquired dead and, in the case of plant species, all seeds are removed or are otherwise secured in a sealed container;

(7) in the form of herbaria or other preserved specimens;

(8) when being removed from watercraft and equipment, or caught while angling, and immediately returned to the water from which they came; or

(9) as the commissioner may otherwise prescribe by rule.

Subd. 2. [SEIZURE.] Under section 97A.221, the commissioner may seize or dispose of all specimens of prohibited exotic species unlawfully possessed, imported, purchased, sold, propagated, transported, or introduced in the state.

Sec. 6. [84D.06] [UNLISTED EXOTIC SPECIES.]

Subdivision 1. [PROCESS.] After the effective date of the rules adopted under section 84D.12, subdivision 1, clause (1), a person may not introduce an unlisted exotic species unless:

(1) the person has notified the commissioner in a manner and form prescribed by the commissioner;

(2) the commissioner has made the classification determination required in subdivision 2 and designated the species as appropriate; and

(3) the introduction is allowed under the applicable provisions of this chapter.

Subd. 2. [CLASSIFICATION.] (a) If the commissioner determines that a species for which a notification is received under subdivision 1 should be classified as a prohibited exotic species, the commissioner shall:

(1) adopt a rule under section 84D.12, subdivision 3, designating the species as a prohibited exotic species; and

(2) notify the person from which the notification was received that the species is subject to section 84D.04.

(b) If the commissioner determines that a species for which a notification is received under subdivision 1 should be classified as an unregulated exotic species, the commissioner shall:

(1) adopt a rule under section 84D.12, subdivision 3, designating the species as an unregulated species; and

(2) notify the person from which the notification was received that the species is not subject to regulation under this chapter.

(c) If the commissioner determines that a species for which a notification is received under subdivision 1 should be classified as a regulated exotic species, the commissioner shall notify the applicant that the species is subject to the requirements in section 84D.07.

Sec. 7. [84D.07] [REGULATED EXOTIC SPECIES.]

Except as provided in rules adopted under section 84D.12, subdivision 2, clause (2), a person may not introduce a regulated exotic species without a permit issued by the commissioner.

Sec. 8. [84D.08] [ESCAPE OF EXOTIC SPECIES.]

(a) A person that allows or causes the introduction of an animal that is a prohibited, regulated, or unlisted exotic species shall, within 48 hours after learning of the introduction, notify the commissioner, a conservation officer, or another person designated by the commissioner. The person shall make every reasonable attempt to recapture or destroy the introduced animal. If the animal is a prohibited exotic species, the person is liable for the actual costs incurred by the department in capturing or controlling, or attempting to capture or control, the animal and its progeny. If the animal is a regulated exotic species, the person is liable for these costs if the introduction was in violation of the person's permit issued under section 84D.11.

(b) A person that complies with this section is not subject to criminal penalties under section 84D.13 for the introduction.

Sec. 9. [84D.09] [AQUATIC MACROPHYTES.]

Subdivision 1. [TRANSPORTATION PROHIBITED.] A person may not transport aquatic macrophytes on any state forest road as defined by section 89.001, subdivision 14, any road or highway as defined in section 160.02, subdivision 7, or any other public road, except as provided in this section.

Subd. 2. [EXCEPTIONS.] Unless otherwise prohibited by law, a person may transport aquatic macrophytes:

- (1) that are duckweeds in the family Lemnaceae;
- (2) for disposal as part of a harvest or control activity conducted under an aquatic plant management permit pursuant to section 103G.615, under permit pursuant to section 84D.11, or as specified by the commissioner;
- (3) for purposes of constructing shooting or observation blinds in amounts sufficient for that purpose, provided that the aquatic macrophytes are emergent and cut above the waterline;
- (4) when legally purchased by or from commercial sources for aquarium or ornamental purposes;
- (5) when harvested for personal use if in a motor vehicle;
- (6) to the department, or another destination as the commissioner may direct, in a sealed container for purposes of identifying a species or reporting the presence of a species;
- (7) when transporting a commercial aquatic plant harvester to a suitable location for purposes of cleaning any remaining aquatic macrophytes;
- (8) that are wild rice harvested under section 84.091; or
- (9) in the form of fragments of emergent aquatic macrophytes incidentally transported in or on watercraft used for waterfowl hunting during the waterfowl season.

Sec. 10. [84D.10] [PROHIBITED ACT; WATERCRAFT.]

A person may not place or attempt to place into waters of the state a watercraft, a trailer, or plant harvesting equipment that has aquatic macrophytes, zebra mussels, or prohibited exotic species attached. A conservation officer or other licensed peace officer may order:

- (1) the removal of aquatic macrophytes or prohibited exotic species from a trailer or watercraft before it is placed into waters of the state;
- (2) confinement of the watercraft at a mooring, dock, or other location until the watercraft is removed from the water; and
- (3) removal of a watercraft from waters of the state that are not infested waters to remove prohibited exotic species.

Sec. 11. [84D.11] [PERMITS.]

Subdivision 1. [PROHIBITED EXOTIC SPECIES.] The commissioner may issue a permit for the propagation, possession, importation, purchase, or transport of a prohibited exotic species for the purposes of disposal, control, research, or education.

Subd. 2. [REGULATED EXOTIC SPECIES.] The commissioner may issue a permit for the introduction of a regulated exotic species.

Subd. 3. [STANDARD.] The commissioner may issue a permit under this section only if the commissioner determines that the permitted activity would not pose an unreasonable risk of harm to natural resources or their use in the state. The commissioner may deny, issue with conditions, modify, or revoke a permit under this section as necessary to ensure that the proposed activity will not pose an unreasonable risk of harm to natural resources or their use in the state.

Subd. 4. [APPEAL OF PERMIT DECISION.] A permit decision may be appealed as a contested case under chapter 14.

Sec. 12. [84D.12] [RULES.]

Subdivision 1. [REQUIRED RULES.] The commissioner shall adopt rules:

- (1) designating prohibited, regulated, and unregulated exotic species;
- (2) governing the application for and issuance of permits under this chapter, which rules may include a fee schedule;
- (3) governing notification under section 84D.08; and
- (4) designating, and governing the marking and use of, limited infestations of Eurasian water milfoil.

Subd. 2. [AUTHORIZED RULES.] The commissioner may adopt rules:

- (1) regulating the possession, importation, purchase, sale, propagation, transport, and introduction of prohibited exotic species;
- (2) regulating the introduction of regulated exotic species, including exempting certain introductions of regulated exotic species from the permit requirement in section 84D.07; and
- (3) regulating the appropriation and transportation of water from infested waters.

Subd. 3. [EXPEDITED RULES.] The commissioner may adopt rules under section 84.027, subdivision 13, that designate:

- (1) prohibited exotic species;
- (2) regulated exotic species;
- (3) unregulated exotic species;
- (4) limited infestations of Eurasian water milfoil; and
- (5) infested waters.

Sec. 13. [84D.13] [ENFORCEMENT; PENALTIES.]

Subdivision 1. [ENFORCEMENT.] Unless otherwise provided, this chapter and rules adopted under section 84D.12 may be enforced by conservation officers under sections 97A.205, 97A.211, and 97A.221 and by other licensed peace officers.

Subd. 2. [CUMULATIVE REMEDY.] The authority of conservation officers to issue civil citations is in addition to other remedies available under law, except that the state may not seek penalties under any other provision of law for the incident subject to the citation.

Subd. 3. [CRIMINAL PENALTIES.] (a) A person who violates a provision of section 84D.05, 84D.06, 84D.07, 84D.08, or 84D.10, or a rule adopted under section 84D.12, is guilty of a misdemeanor.

(b) A person who refuses to obey an order of a peace officer or conservation officer to remove prohibited exotic species or aquatic macrophytes from any watercraft, trailer, or plant harvesting equipment is guilty of a misdemeanor.

Subd. 4. [WARNINGS; CIVIL CITATIONS.] After appropriate training, conservation officers, other licensed peace officers, and other department personnel designated by the commissioner may issue warnings or citations to a person who:

(1) unlawfully transports prohibited exotic species or aquatic macrophytes;

(2) unlawfully places or attempts to place into waters of the state a trailer, a watercraft, or plant harvesting equipment that has prohibited exotic species attached;

(3) unlawfully angles, anchors, or operates a watercraft in a marked area of a Eurasian water milfoil limited infestation; or

(4) intentionally damages, moves, removes, or sinks a buoy marking, as prescribed by rule, Eurasian water milfoil.

Subd. 5. [CIVIL PENALTIES.] A civil citation issued under this section may impose civil penalties up to the following penalty amounts:

(1) for transporting aquatic macrophytes on a forest road as defined by section 89.001, subdivision 14, road or highway as defined by section 160.02, subdivision 7, or any other public road, \$50;

(2) for placing or attempting to place into waters of the state a watercraft, a trailer, or plant harvesting equipment that has aquatic macrophytes attached, \$100;

(3) for transporting a prohibited exotic species other than an aquatic macrophyte, \$100;

(4) for placing or attempting to place into waters of the state a watercraft, a trailer, or plant harvesting equipment that has prohibited exotic species attached when the waters are not identified by the commissioner as being infested with that species, \$500 for the first offense and \$1,000 for each subsequent offense;

(5) for angling, anchoring, or operating a watercraft in a marked area of a Eurasian water milfoil limited infestation, other than as provided by law, \$100; and

(6) for intentionally damaging, moving, removing, or sinking a buoy marking, as prescribed by rule, Eurasian water milfoil, \$100.

Subd. 6. [WATERCRAFT LICENSE SUSPENSION.] A civil citation may be issued to suspend, for up to a year, the watercraft license of an owner or person in control of a watercraft or trailer who refuses to submit to an inspection under section 84D.02, subdivision 4, or who refuses to comply with a removal order given under section 84D.13.

Subd. 7. [SATISFACTION OF CIVIL PENALTIES.] A civil penalty is due and a watercraft license suspension is effective 30 days after issuance of the civil citation. A civil penalty collected under this section is payable to the commissioner and must be credited to the water recreation account.

Subd. 8. [APPEAL OF CIVIL CITATIONS AND PENALTIES.] A civil citation and penalty may be appealed under the procedures in section 116.072, subdivision 6, if the person to whom the citation was issued requests a hearing by notifying the commissioner within 15 days after receipt of the citation. If a hearing is not requested within the 15-day period, the citation becomes a final order not subject to further review.

Sec. 14. [EFFECTIVE DATE.]

Sections 1 to 13 are effective May 1, 1996.

## ARTICLE 2

### CONFORMING AMENDMENTS

Section 1. Minnesota Statutes 1995 Supplement, section 84.027, subdivision 13, is amended to read:

Subd. 13. [GAME AND FISH RULES.] (a) The commissioner of natural resources may adopt rules under sections 97A.0451 to 97A.0459 and this subdivision that are authorized under:

(1) chapters 97A, 97B, and 97C to set open seasons and areas, to close seasons and areas, to select hunters for areas, to provide for tagging and registration of game, to prohibit or allow taking of wild animals to protect a species, and to prohibit or allow importation, transportation, or possession of a wild animal; ~~and~~

(2) sections 84.093, 84.14, 84.15, and 84.152 to set seasons for harvesting wild ginseng roots and wild rice and to restrict or prohibit harvesting in designated areas; and

(3) section 84D.12 to designate prohibited exotic species, regulated exotic species, unregulated exotic species, limited infestations of Eurasian water milfoil, and infested waters.

Clause (2) does not limit or supersede the commissioner's authority to establish opening dates, days, and hours of the wild rice harvesting season under section 84.14, subdivision 3.

(b) If conditions exist that do not allow the commissioner to comply with sections 97A.0451 to 97A.0459, the commissioner may adopt a rule under this subdivision by submitting the rule to the attorney general for review under section 97A.0455, publishing a notice in the State Register and filing the rule with the secretary of state and the legislative commission to review administrative rules, and complying with section 97A.0459, and including a statement of the emergency conditions and a copy of the rule in the notice. The notice may be published after it is received from the attorney general or five business days after it is submitted to the attorney general, whichever is earlier.

(c) Rules adopted under paragraph (b) are effective upon publishing in the State Register and may be effective up to seven days before publishing and filing under paragraph (b), if:

(1) the commissioner of natural resources determines that an emergency exists;

(2) the attorney general approves the rule; and

(3) for a rule that affects more than three counties the commissioner publishes the rule once in a legal newspaper published in Minneapolis, St. Paul, and Duluth, or for a rule that affects three or fewer counties the commissioner publishes the rule once in a legal newspaper in each of the affected counties.

(d) Except as provided in paragraph (e), a rule published under paragraph (c), clause (3), may not be effective earlier than seven days after publication.

(e) A rule published under paragraph (c), clause (3), may be effective the day the rule is published if the commissioner gives notice and holds a public hearing on the rule within 15 days before publication.

(f) The commissioner shall attempt to notify persons or groups of persons affected by rules adopted under paragraphs (b) and (c) by public announcements, posting, and other appropriate means as determined by the commissioner.

(g) Notwithstanding section 97A.0458, a rule adopted under this subdivision is effective for the period stated in the notice but not longer than 18 months after the rule is adopted.

Sec. 2. Minnesota Statutes 1994, section 97A.105, subdivision 1, is amended to read:

Subdivision 1. [LICENSE REQUIREMENTS.] (a) A person may breed and propagate

fur-bearing animals, game birds, bear, moose, elk, caribou, mute swans, or deer only on privately owned or leased land and after obtaining a license. Any of the permitted animals on a game farm may be sold to other licensed game farms. "Privately owned or leased land" includes waters that are shallow or marshy, are not actually navigable, and are not of substantial beneficial public use. Before an application for a license is considered, the applicant must enclose the area to sufficiently confine the animals to be raised in a manner approved by the commissioner. A license may be granted only if the commissioner finds the application is made in good faith with intention to actually carry on the business described in the application and the commissioner determines that the facilities are adequate for the business.

(b) A person may purchase live game birds or their eggs without a license if the birds or eggs, or birds hatched from the eggs, are released into the wild, consumed, or processed for consumption within one year after they were purchased or hatched. This paragraph does not apply to the purchase of migratory waterfowl or their eggs.

(c) A person may not introduce mute swans into the wild without a permit issued by the commissioner.

Sec. 3. Minnesota Statutes 1995 Supplement, section 97A.205, is amended to read:

97A.205 [ENFORCEMENT OFFICER POWERS.]

An enforcement officer is authorized to:

(1) execute and serve court issued warrants and processes relating to wild animals, wild rice, public waters, water pollution, conservation, and use of water, in the same manner as a constable or sheriff;

(2) enter any land to carry out the duties and functions of the division;

(3) make investigations of violations of the game and fish laws;

(4) take an affidavit, if it aids an investigation;

(5) arrest, without a warrant, a person who is detected in the actual violation of the game and fish laws, a provision of chapters 84, 84A, 84D, 85, 86A, 88 to 97C, 103E, 103F, 103G, sections 86B.001 to 86B.815, 89.51 to 89.61; or 609.66, subdivision 1, clauses (1), (2), (5), and (7); and 609.68; and

(6) take an arrested person before a court in the county where the offense was committed and make a complaint.

Nothing in this section grants an enforcement officer any greater powers than other licensed peace officers.

Sec. 4. Minnesota Statutes 1994, section 97A.211, subdivision 1, is amended to read:

Subdivision 1. [NOTICE TO APPEAR IN COURT.] (a) A person must be given notice to appear in court for a misdemeanor violation of the game and fish laws; chapter 84, 84D, 103E, or 103G; sections 103F.201 to 103F.221; or section 103F.601 or 609.68 if:

(1) the person is arrested and is released from custody prior to appearing before a court; or

(2) the person is subject to a lawful arrest and is not arrested because it reasonably appears to the enforcement officer that arrest is unnecessary to prevent further criminal conduct and that there is a substantial likelihood that the person will respond to a notice.

(b) The enforcement officer shall prepare, in quadruplicate, a written notice to appear in court. The notice must be in the form and has the effect of a summons and complaint. The notice must contain the name and address of the person charged, the offense, and the time and the place to appear in court. The court must have jurisdiction within the county where the offense is alleged to have been committed.

Sec. 5. Minnesota Statutes 1994, section 97A.211, subdivision 2, is amended to read:

Subd. 2. [RELEASE AFTER ARREST.] A person arrested for a misdemeanor violation of the game and fish laws; chapter 84, 84D, 103E, or 103G; sections 103F.201 to 103F.221; or section 103F.601 or 609.68 may obtain release by signing the written notice prepared by the arresting officer promising to appear in court. The officer shall deliver a copy marked "SUMMONS" to the person arrested. The officer must then release the person from custody.

Sec. 6. Minnesota Statutes 1995 Supplement, section 97A.221, subdivision 1, is amended to read:

Subdivision 1. [PROPERTY SUBJECT TO SEIZURE AND CONFISCATION.] (a) An enforcement officer may seize:

(1) wild animals, wild rice, and other aquatic vegetation taken, bought, sold, transported, or possessed in violation of the game and fish laws or chapter 84 or 84D; and

(2) firearms, bows and arrows, nets, boats, lines, poles, fishing rods and tackle, lights, lanterns, snares, traps, spears, dark houses, fish houses, and wild rice harvesting equipment that are used with the owner's knowledge to unlawfully take or transport wild animals, wild rice, or other aquatic vegetation and that have a value under \$1,000 are subject to this section.

(b) An item described in paragraph (a), clause (2), that has a value of \$1,000 or more is subject to the provisions of section 97A.225.

(c) An enforcement officer must seize nets and equipment unlawfully possessed within ten miles of Lake of the Woods or Rainy Lake.

Sec. 7. [REVISOR INSTRUCTION.]

In Minnesota Statutes, section 103B.551, subdivision 3, the revisor of statutes shall delete the reference to section 103G.617 and insert a reference to section 103G.621.

Sec. 8. [REPEALER.]

Minnesota Statutes 1994, sections 84.966; 84.967; 84.968, subdivision 2; 84.969; 84.9692, subdivisions 3, 4, 5, and 6; 84.996; and 103G.617; Minnesota Statutes 1995 Supplement, sections 18.316; 18.317; 84.968, subdivision 1; 84.9691; 84.9692, subdivisions 1, 1a, and 2; and 86B.401, subdivision 11, are repealed.

Sec. 9. [EFFECTIVE DATE.]

Sections 1 to 8 are effective May 1, 1996."

Delete the title and insert:

"A bill for an act relating to exotic species; recodifying, modifying, and expanding provisions relating to regulation and management of harmful exotic species; authorizing rulemaking; providing penalties; amending Minnesota Statutes 1994, sections 97A.105, subdivision 1; 97A.211, subdivisions 1 and 2; Minnesota Statutes 1995 Supplement, sections 84.027, subdivision 13; 97A.205; and 97A.221, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 84D; repealing Minnesota Statutes 1994, sections 84.966; 84.967; 84.968, subdivision 2; 84.969; 84.9692, subdivisions 3, 4, 5, and 6; 84.996; and 103G.617; Minnesota Statutes 1995 Supplement, sections 18.316; 18.317; 84.968, subdivision 1; 84.9691; 84.9692, subdivisions 1, 1a, and 2; and 86B.401, subdivision 11."

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

**Mr. Moe, R.D. from the Committee on Agriculture and Rural Development, to which was referred**

**S.F. No. 2612:** A bill for an act relating to agriculture; establishing a grant program for information and technology services to dairy farmers; appropriating money.

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

Page 1, after line 5, insert:

"Section 1. [BRANDING ANIMALS; REPORT.]

By January 15, 1997, the board of animal health shall report to the senate agriculture and rural development committee and the house of representatives agriculture committee with recommendations for changes in Minnesota Statutes, sections 35.821 to 35.831, relating to the branding of live animals. The report must include specific recommendations on brand inspection requirements and whether the state should allow registration of brands that use technologies other than hot irons. In developing the recommendations, the board shall gather public input from buyers and sellers of live animals."

Page 1, line 7, delete "\$....." and insert "\$300,000"

Page 1, line 8, delete "county extension"

Page 1, line 9, delete "offices to" and after "one-on-one" insert "educational" and after "delivery" insert "team"

Page 1, line 12, delete everything after the period and insert "The teams shall consist of"

Page 1, line 13, before "specialists" insert "extension"

Page 1, after line 16, insert:

"Sec. 3. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

Re-number the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "requiring the board of animal health to report recommendations on brand inspection requirements;"

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

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

**S.F. No. 2143:** A bill for an act relating to education; removing mandates from higher education; requiring increased accountability and performance for funding; amending Minnesota Statutes 1994, sections 15.43, subdivisions 2 and 3; 16B.01, subdivision 2; 16B.21, subdivisions 1 and 3; 16B.33, subdivisions 1, 3, and 4; 16B.35, by adding a subdivision; 16B.41, subdivision 2; 16B.46; 43A.05, subdivision 4; 43A.10, subdivision 3; 135A.033; 135A.14, as amended; 137.37; 169.448, subdivision 2; 201.1611; and 248.07, subdivision 7; Minnesota Statutes 1995 Supplement, sections 16B.17, subdivision 6; 16B.465, subdivision 4; 43A.06, subdivision 1; 43A.18, subdivision 3a; 135A.181; 136A.101, subdivision 10; 136F.06, subdivisions 1 and 2; 136F.12; 136F.16, subdivision 3; 136F.18; 136F.30; 136F.36, subdivision 2; 136F.44; 136F.50; 136F.53, subdivisions 1 and 3; 136F.58; 136F.71, by adding a subdivision; 136F.72, subdivision 3; 136F.80; 136F.93; 136F.95; and 136F.97; Laws 1995, chapter 212, article 2, sections 15; and 20, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapters 135A; 136A; and 136F; repealing Minnesota Statutes 1994, sections 137.03; 137.05; 137.06; 137.07; 137.08; 137.11; 137.14; 137.15; 137.33; and 137.36; Minnesota Statutes 1995 Supplement, sections 16A.125, subdivision 6a; 135A.08; 136F.25; and 136F.59, subdivision 1; Laws 1995, chapter 212, article 1, section 6, subdivision 1.

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

Delete everything after the enacting clause and insert:

"Section 1. [LEGISLATIVE INTENT.]

It is the intent of the legislature to increase the accountability of higher education through added system and campus responsibilities for decision-making, governance, and management. To accomplish this, the legislature intends to relieve higher education of many of the mandates that are legislatively imposed or that emanate from executive agency actions. In so doing, the legislature is placing the burden on higher education to take control of its spending in a time of fiscal constraints and to thereby demonstrate, through its choices, the value of the state's investment. In removing legislative and executive mandates, the legislature intends to provide higher education with greater flexibility in how it conducts its business by making the letter of the law less constraining. However, it is the intent of the legislature that higher education continue to meet its public responsibilities by abiding by the spirit of the laws that have been enacted.

Sec. 2. Minnesota Statutes 1994, section 15.43, subdivision 2, is amended to read:

Subd. 2. [TEXTBOOKS EXEMPTED.] Textbooks, software, and other course materials authored by an employee of the state's education systems Minnesota state colleges and universities or of the University of Minnesota may be used as required course material upon receipt of written approval from the head of the department. Instructors in state institutions and at the university may accept free samples of textbooks and related teaching materials.

Sec. 3. Minnesota Statutes 1994, section 15.43, subdivision 3, is amended to read:

Subd. 3. [OTHER EXEMPTIONS.] The commissioners of human services and corrections, and the chancellors of the state university and community college systems may by rule prescribe procedure for the acceptance of gifts from any person or organization, provided that such gifts are accepted by the commissioner or chancellor, or a designated representative of the commissioner or chancellor, and that such gifts are used solely for the direct benefit of patients, or inmates or students under the jurisdiction of the accepting state officer.

Sec. 4. Minnesota Statutes 1994, section 16B.01, subdivision 2, is amended to read:

Subd. 2. [AGENCY.] "Agency" means any state officer, employee, board, commission, authority, department, or other agency of the executive branch of state government. For purposes of this chapter, agency does not include the Minnesota state colleges and universities.

Sec. 5. Minnesota Statutes 1995 Supplement, section 16B.17, subdivision 6, is amended to read:

Subd. 6. [EXCLUSIONS.] This section and section 16B.167 do not apply:

(1) to Minnesota state college or university contracts to provide instructional services to public or private organizations, agencies, businesses, or industries;

(2) to contracts with individuals or organizations for administration of employee pension plans authorized under chapter 354B or 354C; or

(3) to instructional services provided to Minnesota state colleges or universities by organizations or individuals provided the contracts are consistent with terms of applicable labor agreements.

Sec. 6. Minnesota Statutes 1994, section 16B.21, subdivision 1, is amended to read:

Subdivision 1. [COMMISSIONER OF ADMINISTRATION.] The commissioner shall submit an annual report pursuant to section 3.195 to the governor and the legislature with a copy to the commissioner of trade and economic development indicating the progress being made toward the objectives and goals of sections 16B.19 to 16B.22, 437.31, 437.35, 161.321, and 473.142 during the preceding fiscal year. The commissioner shall also submit a quarterly report to the small

business and targeted group procurement advisory council. These reports shall include the following information:

(1) the total dollar value and number of potential set-aside awards identified during this period and the percentage of total state procurement this figure reflects;

(2) the number of small businesses identified by and responding to the small business procurement program, the total dollar value and number of set-aside and other contracts actually awarded to small businesses, and the total number of small businesses that were awarded set-aside and other contracts;

(3) the total dollar value and number of contracts awarded to small targeted group businesses pursuant to each bidding process authorized by sections 16B.19, subdivision 2c, ~~137.31, 137.35,~~ 161.321, and 473.142; the total number and value of these contracts awarded to each small targeted group business and to each type of small targeted group business in each purchasing category, and the percentages of the total procurement for each purchasing category the figures represent;

(4) the total dollar value and number of contracts awarded to small businesses in economically disadvantaged areas under the bidding process authorized in section 16B.19, subdivision 2d; the total number and value of these contracts awarded to each business, and to all businesses within each economically disadvantaged area in each purchasing category, and the percentages of total procurement for each purchasing category the figures represent.

The information required by clauses (1) and (2) must be presented on a statewide basis and also broken down by geographic regions within the state.

Sec. 7. Minnesota Statutes 1994, section 16B.21, subdivision 3, is amended to read:

Subd. 3. [REPORTS FROM OTHER AGENCIES.] The commissioner of transportation, and each metropolitan agency listed in section 473.143, subdivision 1, and the University of Minnesota shall report to the commissioner of administration all information that the commissioner requests to make reports required under this section. The information must be reported at the time and in the manner requested by the commissioner of administration.

Sec. 8. Minnesota Statutes 1994, section 16B.33, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] As used in this section, the following terms have the meanings given them:

(a) "Agency" has the meaning given in section 16B.01, ~~and also includes the University of Minnesota.~~

(b) "Architect" means an architect or landscape architect registered to practice under sections 326.02 to 326.15.

(c) "Board" means the state designer selection board.

(d) "Designer" means an architect or engineer, or a partnership, association, or corporation comprised primarily of architects or engineers or of both architects and engineers.

(e) "Engineer" means an engineer registered to practice under sections 326.02 to 326.15.

(f) "Person" includes an individual, corporation, partnership, association, or any other legal entity.

(g) "Primary designer" means the designer who is to have primary design responsibility for a project, and does not include designers who are merely consulted by the user agency and do not have substantial design responsibility, or designers who will or may be employed or consulted by the primary designer.

(h) "Project" means an undertaking to construct, erect, or remodel a building by or for the state or an agency.

(i) "User agency" means the agency undertaking a specific project.

Sec. 9. Minnesota Statutes 1994, section 16B.33, subdivision 3, is amended to read:

Subd. 3. [AGENCIES MUST REQUEST DESIGNER.] (a) [APPLICATION.] Upon undertaking a project with an estimated cost greater than \$750,000 or a planning project with estimated fees greater than \$60,000, every user agency, except the capitol area architectural and planning board, shall submit a written request for a primary designer for its project to the commissioner, who shall forward the request to the board. The University of Minnesota and the Minnesota state colleges and universities may request the board to select designers for their projects. The written request must include a description of the project, the estimated cost of completing the project, a description of any special requirements or unique features of the proposed project, and other information which will assist the board in carrying out its duties and responsibilities set forth in this section.

(b) [REACTIVATED PROJECT.] If a project for which a designer has been selected by the board becomes inactive, lapses, or changes as a result of project phasing, insufficient appropriations, or other reasons, the commissioner ~~or the University of Minnesota~~ may, if the project is reactivated, retain the same designer to complete the project.

(c) [FEE LIMIT REACHED AFTER DESIGNER SELECTED.] If a project initially estimated to be below the cost and planning fee limits of this subdivision has its cost or planning fees revised so that the limits are exceeded, the project must be referred to the board for designer selection even if a primary designer has already been selected. In this event, the board may, without conducting interviews, elect to retain the previously selected designer if it determines that the interests of the state are best served by that decision and shall notify the commissioner of its determination.

Sec. 10. Minnesota Statutes 1994, section 16B.33, subdivision 4, is amended to read:

Subd. 4. [DESIGNER SELECTION PROCESS.] (a) [PUBLICITY.] Upon receipt of a request from a user agency for a primary designer, the board shall publicize the proposed project in order to determine the identity of designers interested in the design work on the project. The board shall establish criteria for the selection process and make this information public, and shall compile data on and conduct interviews of designers. The board's selection criteria must include consideration of each interested designer's performance on previous projects for the state or any other person. Upon completing the process, the board shall select the primary designer and shall state its reasons in writing. Notification to the commissioner of the selection shall be made not more than 60 days after receipt from a user agency of a request for a primary designer. The commissioner shall promptly notify the designer and the user agency. The commissioner shall negotiate the designer's fee and prepare the contract to be entered into between the designer and the user agency.

(b) [CONFLICT OF INTEREST.] The board may not select a designer or firm in which a member of the designer selection board has a current financial interest.

(c) [SELECTION BY COMMISSIONER.] In the event the board receives a request for a primary designer on a project, the estimated cost of which is less than the limit established by subdivision 3, or a planning project with estimated fees of less than the limit established by subdivision 3, the board may submit the request to the commissioner of administration, with or without recommendations, and the commissioner shall thereupon select the primary designer for the project.

(d) [SECOND SELECTION.] If the designer selected for a project declines the appointment or is unable to reach agreement with the commissioner on the fee or the terms of the contract, the commissioner shall, within 60 days after the first appointment, request the board to make another selection.

(e) [SIXTY DAYS TO SELECT.] If the board fails to make a selection and forward its recommendation to the commissioner within 60 days of the user agency's request for a designer, the commissioner may appoint a designer to the project without the recommendation of the board.

(f) [~~LESS THAN SATISFACTORY PERFORMANCE.~~] ~~The commissioner, or the University of Minnesota for projects under its supervision,~~ shall forward to the board a written report describing each instance in which the performance of a designer selected by the board or the commissioner has been less than satisfactory. Criteria for determining satisfaction include the ability of the designer to complete design work on time, to provide a design responsive to program needs within the constraints of the budget, to solve design problems and achieve a design consistent with the proposed function of the building, to avoid costly design errors or omissions, and to observe the construction work. These reports are public data and are available for inspection under section 13.03.

Sec. 11. Minnesota Statutes 1994, section 16B.35, is amended by adding a subdivision to read:

Subd. 4. [CAMPUSES.] Art for a building on a public college or university campus shall be selected by the campus, in consultation with the arts board. Consideration of the artwork of faculty and students on that campus is encouraged.

Sec. 12. Minnesota Statutes 1994, section 16B.36, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY.] The commissioner may examine, investigate, or make a survey of the organization, administration, and management of state agencies and institutions under their control, and may assist state agencies by providing analytical, statistical, and organizational development services to them in order to secure greater efficiency and economy through reorganization or consolidation of agencies or functions and to eliminate duplication of function, effort, or activity, so far as possible. The commissioner shall periodically submit to the legislature a list of the studies being conducted for this purpose and any future studies scheduled at the time the list is submitted. For purposes of this section, the Minnesota state colleges and universities is a state agency.

Sec. 13. Minnesota Statutes 1994, section 16B.37, subdivision 1, is amended to read:

Subdivision 1. [COMMISSIONER'S AUTHORITY.] To improve efficiency and avoid duplication, the commissioner may transfer personnel, powers, or duties, or any combination of them, from a state agency to another state agency that has been in existence for at least one year prior to the date of transfer. A transfer must have received the prior approval of the governor. The commissioner shall no later than January 15 of each year submit to the legislature a bill making all statutory changes required by reorganization orders issued by the commissioner during the preceding calendar year. For purposes of this section, the Minnesota state colleges and universities is a state agency.

Sec. 14. Minnesota Statutes 1994, section 16B.41, subdivision 2, is amended to read:

Subd. 2. [RESPONSIBILITIES.] The office has the following duties:

(a) The office must develop and establish a state information architecture to ensure that further state agency development and purchase of information systems equipment and software is directed in such a manner that individual agency information systems complement and do not needlessly duplicate or needlessly conflict with the systems of other agencies. In those instances where state agencies have need for the same or similar computer data, the commissioner shall ensure that the most efficient and cost-effective method of producing and storing data for or sharing data between those agencies is used. The development of this information architecture must include the establishment of standards and guidelines to be followed by state agencies. On January 1, 1988, and every six months thereafter, any state agency that has purchased information systems equipment or software in the past six months, or that is contemplating purchasing this equipment or software in the next six months, must report to the office and to the chairs of the house ways and means committee and the senate finance committee on how the purchases or proposed purchases comply with the applicable standards and guidelines.

(b) The office shall assist state agencies in the planning and management of information systems so that an individual information system reflects and supports the state agency's and the state's mission, requirements, and functions.

(c) The office must review and approve all agency requests for legislative appropriations for the development or purchase of information systems equipment or software. Requests may not be included in the governor's budget submitted to the legislature, unless the office has approved the request.

(d) Each biennium the office must rate agency requests for new appropriations for development or purchase of information systems equipment or software based on established information management criteria. The office must submit this rating to the legislature at the same time, or no later than 14 days after, the governor submits the budget message to the legislature. The governor must provide information necessary to rate agency requests to the office.

(e) The office must define, review, and approve major purchases of information systems equipment to (1) ensure that the equipment follows the standards and guidelines of the state information architecture; (2) ensure that the equipment is consistent with the information management principles adopted by the information policy council; (3) evaluate whether or not the agency's proposed purchase reflects a cost-effective policy regarding volume purchasing; and (4) ensure the equipment is consistent with other systems in other state agencies so that data can be shared among agencies, unless the office determines that the agency purchasing the equipment has special needs justifying the inconsistency. The commissioner of finance may not allot funds appropriated for major purchases of information systems equipment until the office reviews and approves the proposed purchase. A public institution of higher education ~~must not~~ may purchase interconnective up to \$250,000 of equipment or other computer technology to connect the college or university to sites outside the institution without the prior approval of the office.

(f) The office shall review the operation of information systems by state agencies and provide advice and assistance so that these systems are operated efficiently and continually meet the standards and guidelines established by the office. These standards and guidelines shall emphasize uniformity that encourages information interchange, open systems environments, and portability of information whenever practicable and consistent with an agency's authority and the Minnesota government data practices act. The office, in consultation with the intergovernmental information systems advisory council and the legislative reference library, shall adopt specific standards and guidelines to be met by each state agency within a time period fixed by the office in regard to the following:

(1) establishment of methodologies and systems directed at reducing and ultimately eliminating redundant storage of data and encouraging greater use of central databases;

(2) establishment of data retention schedules, disaster recovery plans and systems, security systems, and procedural safeguards concerning privacy of data;

(3) establishment of pricing policies and incentives that encourage electronic transfer of information in electronic forms, while giving due consideration to the value and cost of providing the information in those forms. These pricing policies may include preferential prices for information requested by a public entity for a public purpose; and

(4) establishment of information sales systems that utilize licensing and royalty agreements to the greatest extent possible, together with procedures for agency denial of requests for licenses or royalty agreements by commercial users or resellers of the information. Section 3.751 does not apply to these licensing and royalty agreements and the agreements must include provisions that section 3.751 does not apply and that the state is immune from liability under the agreement.

If an agency needs additional funds to comply with the requirements of this paragraph, the agency must first obtain approval of the proposal by the office as required by paragraph (c) before submitting it to the legislature.

(g) The office must conduct a comprehensive review at least every three years of the information systems investments that have been made by state agencies and higher education institutions. The review must include recommendations on any information systems applications that could be provided in a more cost beneficial manner by an outside source. The office must report the results of its review to the legislature and the governor.

(h) The office shall recommend to the legislature any statutory changes that are necessary or desirable to accomplish the duties described in this subdivision.

(i) The office must report to the legislature by January 15 each year on progress in implementing paragraph (f), clauses (1) to (4).

Sec. 15. Minnesota Statutes 1995 Supplement, section 16B.465, subdivision 4, is amended to read:

Subd. 4. [PROGRAM PARTICIPATION.] (a) The commissioner may require the participation of state agencies, the state board of education, and the ~~governing boards~~ board of the Minnesota state colleges and universities, ~~the community colleges, and the technical colleges,~~ and may request the participation of the board of regents of the University of Minnesota, in the planning and implementation of the network to provide interconnective technologies. The commissioner shall establish reimbursement rates in cooperation with the commissioner of finance to be billed to participating agencies and educational institutions sufficient to cover the operating, maintenance, and administrative costs of the system.

(b) A direct appropriation made to an educational institution for usage costs associated with the STARS network must only be used by the educational institution for payment of usage costs of the network as billed by the commissioner of administration. ~~The post-secondary appropriations may be shifted between systems as required by unanticipated usage patterns. An intersystem transfer must be requested by the appropriate system and may be made only after review and approval by the commissioner of finance, in consultation with the commissioner of administration.~~

Sec. 16. Minnesota Statutes 1994, section 16B.482, is amended to read:

16B.482 [REIMBURSEMENT FOR MATERIALS AND SERVICES.]

The commissioner of administration may provide materials and services under this chapter to state legislative and judicial branch agencies, political subdivisions, ~~the Minnesota state colleges and universities,~~ the University of Minnesota, and federal government agencies. ~~Legislative and judicial branch agencies, political subdivisions, the Minnesota state colleges and universities,~~ the University of Minnesota, and federal government agencies purchasing materials and services from the commissioner of administration shall reimburse the general services, intertechnologies, and cooperative purchasing revolving funds for cost.

Sec. 17. Minnesota Statutes 1994, section 16B.49, is amended to read:

16B.49 [CENTRAL MAILING SYSTEM.]

The commissioner shall maintain and operate for agencies a central mailing system. Official mail of an agency occupying quarters within the boundaries of the city of St. Paul must be delivered unstamped to the central mailing station. Account must be kept of the postage required on that mail, which is then a proper charge against the agency delivering the mail. To provide funds for the payment of postage, each agency shall make advance payments to the commissioner sufficient to cover its postage obligations for at least 60 days. For purposes of this section, the Minnesota state colleges and universities is a state agency.

Sec. 18. Minnesota Statutes 1994, section 16B.531, is amended to read:

16B.531 [TRAVEL SERVICES.]

The commissioner may offer a centralized travel service to all state departments and agencies, and to the Minnesota state colleges and universities, and may, in connection with that service, accept payments from travel agencies under contracts for the provision of travel services. The payments must be deposited in the motor pool revolving account established by section 16B.54, subdivision 8, and must be used for the expenses of managing the centralized travel service. Revenues in excess of the management costs of the centralized service must be returned to the general fund.

Sec. 19. Minnesota Statutes 1994, section 16B.54, subdivision 1, is amended to read:

Subdivision 1. [MOTOR POOLS.] The commissioner shall manage a central motor pool of passenger motor vehicles and trucks used by state agencies with principal offices in the city of St. Paul and may provide for branch central motor pools at other places within the state. For purposes of this section, (1) "agencies" includes the Minnesota state colleges and universities, and (2) "truck" means a pickup or panel truck up to one ton carrying capacity.

Sec. 20. Minnesota Statutes 1994, section 16B.85, subdivision 2, is amended to read:

Subd. 2. [RISK MANAGEMENT FUND.] (a) All state agencies, and the Minnesota state colleges and universities, may, in cooperation with the commissioner, participate in insurance programs and other funding alternative programs provided by the risk management fund.

(b) When an agency or agencies enter into an insurance or self-insurance program, each agency shall contribute the appropriate share of its costs as determined by the commissioner.

(c) The money in the fund to pay claims arising from state activities and for administrative costs, including costs for the adjustment and defense of the claims, is appropriated to the commissioner.

(d) Interest earned from the investment of money in the fund shall be credited to the fund and be available to the commissioner for the expenditures authorized in this subdivision.

(e) The fund is exempt from the provisions of section 16A.152, subdivision 4. In the event that proceeds in the fund are insufficient to pay outstanding claims and associated administrative costs, the commissioner, in consultation with the commissioner of finance, may assess state agencies participating in the fund amounts sufficient to pay the costs. The commissioner shall determine the proportionate share of the assessment of each agency.

Sec. 21. Minnesota Statutes 1994, section 43A.05, subdivision 4, is amended to read:

Subd. 4. [TIME OFF IN EMERGENCIES.] The commissioner shall authorize appointing authorities to pay for time off in emergencies. The commissioner, after consultation with the commissioner of public safety, may excuse employees from duty with full pay in the event of a natural or other emergency, if continued operation would involve a threat to the health or safety of individuals. Absence with pay shall not exceed 16 working hours at any one time unless the commissioner authorizes a longer duration. Authority to excuse employees from duty with full pay on the campuses of the Minnesota state colleges and universities is vested in the college and university presidents, under guidelines established by the board of trustees of the Minnesota state colleges and universities.

Sec. 22. Minnesota Statutes 1995 Supplement, section 43A.06, subdivision 1, is amended to read:

Subdivision 1. [GENERAL.] (a) The commissioner, through the labor relations bureau, shall perform the duties assigned to the commissioner by sections 3.855, 179A.01 to 179A.25 and this section.

(b) The deputy commissioner for the labor relations bureau shall be the state labor negotiator for purposes of negotiating and administering agreements with exclusive representatives of employees and shall perform any other duties delegated by the commissioner subject to the limitations in paragraph (c).

~~(c) In consultation with the commissioner of employee relations and except as specified in this paragraph, The board of trustees of the Minnesota state colleges and universities may exercise the powers under this section for employees included in units 9, 10, 11, and 12 in section 179A.10, subdivision 2. The power and authority to engage in collective bargaining or to enter into interest arbitration remains with the commissioner of employee relations, who shall exercise those powers in consultation with the board of trustees of the Minnesota state colleges and universities. The commissioner of employee relations shall have the right to review and comment to the Minnesota state colleges and universities on the board's final proposals prior to exchange of final positions with the designated bargaining units as well as any requests for interest arbitration. When~~

submitting a proposed collective bargaining agreement to the legislative coordinating commission and the legislature under section 3.855, subdivision 2, the board of trustees must use procedures and assumptions consistent with those used by the commissioner of employee relations in calculating the costs of the proposed contract.

Sec. 23. Minnesota Statutes 1994, section 43A.10, subdivision 3, is amended to read:

Subd. 3. [FACILITIES FURNISHED EXAMINERS.] The authorities having control of public buildings in political subdivisions of the state and school districts, upon written request of the commissioner, shall furnish ~~without charge~~ convenient facilities for the administration of examinations. Upon such request, it shall be the duty of state and local authorities and employees, as it is consistent with their other duties, to aid in carrying out the provisions of this section. Campuses of the Minnesota state colleges and universities may charge the commissioner for actual costs incurred in providing facilities for examinations, provided that the costs were incurred due solely to the examination.

Sec. 24. Minnesota Statutes 1994, section 123.70, subdivision 10, is amended to read:

Subd. 10. A statement required to be submitted under subdivisions 1, 2, and 4 to document evidence of immunization shall include month, day, and year for immunizations administered after January 1, 1990.

(a) For persons enrolled in grades 7 and 12 during the ~~1992-1993~~ 1996-1997 school term, the statement must indicate that the person has received at least two doses of vaccine against measles, mumps, and rubella, given alone or separately and given not less than one month apart a dose of tetanus and diphtheria toxoid no earlier than 11 years of age.

(b) For persons enrolled in grades 7, 8, and 12 during the ~~1993-1994~~ 1997-1998 school term, the statement must indicate that the person has received at least two doses of vaccine against measles, mumps, and rubella, given alone or separately and given not less than one month apart a dose of tetanus and diphtheria toxoid no earlier than 11 years of age.

(c) For persons enrolled in grades 7, 8, 9, and 12 during the ~~1994-1995~~ 1998-1999 school term, the statement must indicate that the person has received at least two doses of vaccine against measles, mumps, and rubella, given alone or separately and given not less than one month apart a dose of tetanus and diphtheria toxoid no earlier than 11 years of age.

(d) For persons enrolled in grades 7, 8, 9, 10, and 12 during the ~~1995-1996~~ 1999-2000 school term, the statement must indicate that the person has received at least two doses of vaccine against measles, mumps, and rubella, given alone or separately and given not less than one month apart a dose of tetanus and diphtheria toxoid no earlier than 11 years of age.

(e) For persons enrolled in grades 7 through 12 during the 2000-2001 school term and for each year thereafter, the statement must indicate that the person has received a dose of tetanus and diphtheria toxoid no earlier than 11 years of age.

(f) For persons enrolled in grades 7 through 12 during the 1996-1997 school year and for each year thereafter, the statement must indicate that the person has received at least two doses of vaccine against measles, mumps, and rubella, given alone or separately and given not less than one month apart.

Sec. 25. Minnesota Statutes 1994, section 135A.033, is amended to read:

135A.033 [PERFORMANCE FUNDING.]

The governing boards of the University of Minnesota, ~~the state universities, the community colleges, and the technical colleges~~ and the Minnesota state colleges and universities, in conjunction with their respective campuses, shall each specify performance categories and indicators relating to section 135A.053, subdivision 1, to be used for policy and appropriations decisions, as well as allocations for rewarding campuses that achieve performance levels and assisting campuses that are unable to achieve these levels. Because the mission of each system and type of campus varies, categories and indicators shall vary accordingly.

Sec. 26. [135A.053] [STATE HIGHER EDUCATION POLICY.]

Subdivision 1. [STATEWIDE OBJECTIVES.] Minnesota's higher education investment is made in pursuit of the following objectives:

(1) to ensure quality - to provide a level of excellence that is competitive on a national and international level, through high quality teaching, scholarship, and learning in a broad range of arts and sciences, technical education, and professional fields;

(2) to foster student success - to enable and encourage students to choose institutions and programs that are best suited for their talents and abilities, and to provide an educational climate that supports students in pursuing their goals and aspirations;

(3) to promote democratic values - to enhance Minnesota's quality of life by developing understanding and appreciation of a free and diverse society;

(4) to maintain access - to provide an opportunity for all Minnesotans, regardless of personal circumstances, to participate in higher education; and

(5) to enhance the economy - to assist the state in being competitive in the world market, and to prepare a highly skilled and adaptable workforce that meets Minnesota's opportunities and needs.

Subd. 2. [PERFORMANCE AND ACCOUNTABILITY.] Higher education systems and campuses are expected to achieve the objectives in subdivision 1 and will be held accountable for doing so. The legislature is increasing the flexibility of the systems and campuses to provide greater responsibility to higher education in deciding how to achieve statewide objectives, and to decentralize authority so that those decisions can be made at the level where the education is delivered. To demonstrate their accountability, the legislature expects each system and campus to measure and report on its performance, using meaningful indicators that are critical to achieving the objectives in subdivision 1, as provided in section 135A.033. Nothing in this section precludes a system or campus from determining its own objectives and performance measures beyond those identified in this section.

Sec. 27. Minnesota Statutes 1994, section 135A.14, as amended by Laws 1995, chapter 212, article 3, section 59, and Laws 1995, First Special Session chapter 3, article 16, section 13, is amended to read:

135A.14 [STATEMENT OF IMMUNIZATION OF POST-SECONDARY STUDENTS.]

Subdivision 1. [DEFINITIONS.] As used in this section, the following terms have the meanings given them.

(a) "Administrator" means the administrator of the institution or other person with general control and supervision of the institution.

(b) "Public or private post-secondary educational institution" or "institution" means any of the following institutions having an enrollment of more than 100 persons during any quarter, term, or semester during the preceding year: (1) the University of Minnesota; (2) the state universities; (3) the state community colleges; (4) public technical colleges; (5) private four-year, professional and graduate institutions; (6) private two-year colleges; and (7) schools subject to either chapter 141, sections 136A.61 to 136A.71, or schools exempt under section 136A.657, and which offer educational programs within the state for an academic year greater than six consecutive months. An institution's report to the Minnesota higher education services office or the Minnesota department of children, families, and learning may be considered when determining enrollment.

(c) "Student" means a person born after 1956 who did not graduate from a Minnesota high school in 1997 or later, and who is (1) registering for more than one class during a full academic term, such as a quarter or a semester; or (2) housed on campus and is registering for one or more classes. Student does not include persons enrolled in extension classes only or correspondence classes only.

Subd. 2. [STATEMENT OF IMMUNIZATION REQUIRED.] Except as provided in

subdivision 3, no student may remain enrolled in a public or private post-secondary educational institution unless the student has submitted to the administrator a statement that the student has received appropriate immunization against measles, rubella, and mumps after having attained the age of 12 months, and against diphtheria and tetanus within ten years of first registration at the institution. This statement must indicate the month and year of each immunization given. Instead of submitting a statement, a student may provide an immunization record maintained by a school according to section 123.70, subdivision 7, or a school in another state if the required information is contained in the record. A student who has submitted a statement as provided in this subdivision, may transfer to a different Minnesota institution without submitting another statement if the student's transcript or other official documentation indicates that the statement was submitted.

Subd. 3. [EXEMPTIONS FROM IMMUNIZATION.] (a) An immunization listed in subdivision 2 is not required if the student submits to the administrator a statement signed by a physician that shows:

- (1) that, for medical reasons, the student did not receive an immunization;
- (2) that the student has experienced the natural disease against which the immunization protects; or
- (3) that a laboratory has confirmed the presence of adequate immunity.

(b) If the student submits a notarized statement that the student has not been immunized as required in subdivision 2 because of the student's conscientiously held beliefs, the immunizations described in subdivision 2 are not required. The institution shall forward this statement to the commissioner of health.

Subd. 4. [IMMUNIZATION FILES REQUIRED.] The institution must maintain an immunization record ~~within the student's file for all students~~ each student governed by this section for at least one year from the time of original filing. The immunization records may be inspected by the department of health and the local board of health in whose jurisdiction the institution is located.

Subd. 5. [DEADLINE FOR SUBMITTING STATEMENT.] The institution shall require that the statement from the student, as required within subdivision 2 or 3, be submitted within 45 days of commencement of the academic term for which the student has registered.

Sec. 28. Minnesota Statutes 1995 Supplement, section 135A.181, subdivision 2, is amended to read:

Subd. 2. [COMMON CALENDAR.] ~~In converting to the semester system required in subdivision 1 shall be offered on a common calendar throughout all, the campuses under the jurisdiction of the board of trustees of the Minnesota state colleges and universities. This calendar, in consultation with the system office, shall set calendars that best meet the needs of students, including those jointly enrolled in local school districts and other cooperative programs. Common calendars shall include be a priority at colocated campuses including a common start and end date for each semester as well as common summer school schedules. The board of trustees may exempt a campus from this calendar if they determine that because of extenuating circumstances an alternative calendar would better serve students' needs.~~

Sec. 29. Minnesota Statutes 1995 Supplement, section 136A.101, subdivision 10, is amended to read:

Subd. 10. "Satisfactory academic progress" means that:

(1) ~~at a point between~~ by the end of a student's first and second academic year of attendance at an institution, the student has at least a cumulative grade point average of C or its equivalent, or academic standing consistent with the institution's graduation requirements; and

(2) by the end of the first term of the third and fourth academic year of attendance, (i) the student has a cumulative grade point average of at least a C or its equivalent, (ii) the student's

advisor certifies that the student has reviewed the general education requirements necessary for graduation and is making satisfactory progress toward completing them, and (iii) the student's advisor certifies that the student has chosen a major and reviewed the requirements necessary for completion of the major.

Exceptions may be granted if the student's failure to attain the required grade point average is caused by:

- (1) the death of a relative of the student;
- (2) an injury or illness of the student; or
- (3) other special circumstances.

Sec. 30. [136A.1312] [FINANCIAL AID ADMINISTRATOR, PROFESSIONAL JUDGMENT.]

Nothing in this chapter or in the office's rules shall be interpreted as limiting the ability of student financial aid administrators, on the basis of adequate documentation, to make necessary adjustments to the cost of attendance and expected family contribution computations to allow for treatment of individual students with special circumstances with the exception of the cost of attendance defined under section 136A.121, subdivision 6. In addition, nothing in this chapter or in the office's rules shall be interpreted as limiting the ability of the student financial aid administrator to use supplementary information about the financial status of eligible applicants with special circumstances in selecting recipients of state financial aid and determining the amount of awards.

Sec. 31. [136A.1313] [FINANCIAL AID AUDITS.]

Beginning with audits for fiscal year 1996, in place of the audits provided by the office, public institutions that administer state grants under decentralized delivery may arrange for audits of state financial aid awards and tuition reciprocity recipients in conjunction with their audits for federal financial aid. Audits must be conducted in compliance with guidelines and materials prepared by the office. The office shall develop a review process including procedures for responding to audit exceptions. All other institutions under decentralized delivery may arrange for audits under this section beginning with audits for fiscal year 1997.

Sec. 32. Minnesota Statutes 1995 Supplement, section 136F.06, subdivision 1, is amended to read:

Subdivision 1. [GENERAL AUTHORITY.] The board shall possess all powers necessary to govern the state colleges and universities and all related property. Those powers shall include, but are not limited to, those enumerated in this section. The board shall prescribe courses of study and conditions of admission, set tuition and fees, ~~prescribe~~ approve programs of study and requirements for completion of programs, approve the awarding of appropriate certificates, diplomas, and degrees, enter into contracts and other agreements, and adopt suitable policies for the institutions it governs. To the extent practicable in protecting statewide interests, the board shall provide autonomy to the campuses while holding them accountable for their decisions. Sections 14.01 to 14.47 do not apply to policies and procedures of the board.

Sec. 33. Minnesota Statutes 1995 Supplement, section 136F.06, subdivision 2, is amended to read:

Subd. 2. [GOVERNANCE AUTHORITY.] The board shall have the authority needed to operate and govern the state colleges and universities unless otherwise directed or limited prohibited by law. The board is responsible for its operations and necessary decisions unless these are specifically delegated by law to a state department or agency.

Sec. 34. Minnesota Statutes 1995 Supplement, section 136F.12, is amended to read:

136F.12 [FOND DU LAC CAMPUS.]

The Fond du Lac campus has a unique mission among two-year colleges to serve the lower division general education needs in Carlton and south St. Louis counties, and the education needs of American Indians throughout the state and especially in northern Minnesota. Accordingly, while the college is governed by the board of trustees, its governance is accomplished in conjunction with the board of directors of Fond du Lac tribal college. ~~By July 1, 1995, the board of trustees and the board of directors of Fond du Lac tribal college shall implement the mechanisms necessary to accomplish the sharing of authority while ensuring accountability for college actions. The mechanisms shall supersede any previous arrangement, agreement, or memorandum of understanding.~~

Sec. 35. Minnesota Statutes 1995 Supplement, section 136F.16, subdivision 3, is amended to read:

Subd. 3. [OFF-CAMPUS SITES.] The board shall not establish off-campus centers or other permanent sites to provide academic programs, courses, or student services without authorizing legislation. For the purposes of this subdivision, the campus of Metropolitan State University is the seven-county metropolitan area. This section does not apply to sites set up specifically for the delivery of courses and programs through telecommunications.

Sec. 36. Minnesota Statutes 1995 Supplement, section 136F.18, is amended to read:

136F.18 [CAMPUS CLOSING.]

~~The board may close a campus or center under its jurisdiction according to policies adopted by the board. Prior to closing a campus or center, the board shall hold a public hearing on the issue in the area which would be affected by the closing. At the hearing affected persons shall have an opportunity to present testimony. The board shall give notice of this hearing by publishing notice in the State Register and in a newspaper of general circulation in the affected area at least 30 days before the scheduled hearing.~~

Sec. 37. Minnesota Statutes 1995 Supplement, section 136F.30, is amended to read:

136F.30 [COURSES AND PROGRAMS.]

~~The board shall prescribe the courses review and approve or disapprove campus proposals for adding, deleting, or substantially changing programs of study, including graduate and undergraduate academic programs, training in professional, semiprofessional, and technical fields, and adult education. The board shall avoid duplicate program offerings. The board may initiate activities to close programs. The board shall place a high priority on ensuring the transferability of credit.~~

Sec. 38. Minnesota Statutes 1995 Supplement, section 136F.36, subdivision 2, is amended to read:

Subd. 2. [EXEMPTIONS.] ~~The sale requirements of chapters 92 and 94 do not apply to this section, nor do the leasing provisions of section 16B.24, nor do the construction supervision and control provisions of sections 16B.30 to 16B.335. The board shall develop policies for leasing requirements and construction supervision. The board will normally competitively bid contracts related to instructional construction but, notwithstanding the provisions of sections 16B.07 to 16B.09, may negotiate contracts without competitive bidding where it deems appropriate.~~

Sec. 39. [136F.42] [PERSONNEL MANAGEMENT.]

Subdivision 1. [TIME REPORTING.] As provided in executive order 96-2, the board, in consultation with the commissioners of employee relations and finance, may develop policies to allow system office or campus employees on salaries, as defined in section 43A.17, subdivision 1, to use negative time reporting in which employees report only that time for which leave is taken. By the end of the 1997 fiscal year, the board, in consultation with the commissioners of employee relations and finance, shall evaluate the use of negative time reporting and its potential for use with other state employees.

Subd. 2. [TRAVEL POLICIES.] Notwithstanding chapter 43A, the board may adopt policies

for colleges and universities to approve and administer travel arrangements, other than reimbursement, for employees on campus, and for the system office to provide the same services for employees in that office.

Sec. 40. Minnesota Statutes 1995 Supplement, section 136F.44, subdivision 2, is amended to read:

Subd. 2. ~~[EVALUATION INFORMATION.] Each state university, community college, and technical college campus shall provide an evaluation of this activity to the board, and~~ The board shall include a summary of campus and system activities related to subdivision 1 in its 1998-1999 biennial budget request.

Sec. 41. Minnesota Statutes 1995 Supplement, section 136F.50, is amended to read:

136F.50 [COOPERATION OR PROMOTION OF A STATE COLLEGE OR UNIVERSITY.]

The board, system office, and the campuses may cooperate by contractual arrangement or otherwise with responsible persons, firms, corporations, associations, or governmental agencies to promote short courses, research, and other programs and activities in the state colleges and universities as in the judgment of the board, system office, or a campus contribute to the development of the state colleges and universities and the welfare of their students.

Sec. 42. [136F.526] [AUDITS.]

Each college and university shall be audited as provided by board policy. The policy shall be designed to ensure financial integrity, necessary internal controls, and appropriate accordance between board policies and campus expenditures. The college or university may arrange for any additional audits it desires by contracting with the legislative auditor or a private certified public accountant. Nothing in this section shall limit the authority of the legislative auditor to perform selected scope audits or other duties of the office as provided under section 3.971.

Sec. 43. Minnesota Statutes 1995 Supplement, section 136F.53, subdivision 1, is amended to read:

Subdivision 1. ~~[BOARD POWER CAMPUS PARKING AUTHORITY.] Notwithstanding section 169.966, the board may authorize a state college or university to~~ may adopt and enforce policies, regulations, or ordinances for the regulation of traffic and parking in parking facilities and on private roads and roadways situated on property owned, leased, occupied, or operated by the state college or university.

Sec. 44. Minnesota Statutes 1995 Supplement, section 136F.53, subdivision 3, is amended to read:

Subd. 3. [DISPUTES.] A state college or university, ~~with the approval of the board,~~ shall establish procedures to resolve a dispute arising from enforcement of a policy.

Sec. 45. Minnesota Statutes 1995 Supplement, section 136F.58, is amended to read:

136F.58 [BOOKSTORES.]

~~The board may permit~~ A state college or university ~~to conduct~~ may operate a bookstore in a state college or university building, or may allocate space in a state college or university building and permit a person or corporation to ~~conduct~~ operate a bookstore ~~therein~~ without rent at the ~~board's campus'~~ campus' pleasure and on such conditions as the board may impose. The board may provide insurance, at no cost to the state, for the inventory of a bookstore a state college or university conducts in its building.

Sec. 46. [136F.581] [LOCAL SPENDING AUTHORITY.]

Subdivision 1. [POLICIES AND PROCEDURES.] The board shall develop policies for purchasing goods and services, and for contracts for construction, alteration, repair, or maintenance of real property. In addition, each college and university, in consultation with the

system office, shall develop procedures for those purchases and contracts that can be accomplished by a college or university without board approval. The board policies may allow each college and university the local authority to enter into contracts for construction projects of up to \$250,000 and to make other purchases of up to \$50,000, without receiving board approval. The board may allow a college or university local authority to make purchases over \$50,000 without receiving board approval.

Subd. 2. [REQUIREMENTS.] The policies and procedures developed by the board and by individual colleges and universities must comply with the following requirements:

(1) If the amount of the contract is estimated to be \$10,000 or less, the policies and procedures must be consistent with section 471.345, subdivision 5.

(2) If the amount of the contract is estimated to exceed \$10,000 but not to exceed \$25,000, the policies and procedures must be consistent with section 471.345, subdivision 4.

(3) If the amount of the contract is estimated to exceed \$25,000, the policies and procedures must be consistent with section 471.345, subdivision 3.

(4) The policies and procedures must include provisions for procurement, including construction, from small targeted group businesses and small businesses located in an economically disadvantaged areas as designated under section 16B.19. The preferences granted under such policies and procedures shall be consistent with section 16B.19, subdivisions 2c and 2d, or consistent with the University of Minnesota's targeted group business purchasing program.

Subd. 3. [PROFESSIONAL OR TECHNICAL SERVICES.] (a) The board shall develop policies for entering into contracts for professional or technical services, other than instructional services. The policies must allow each college and university the authority to enter into contracts for professional or technical services up to \$15,000 without board approval. The board may allow a college or university authority to enter into contracts for professional or technical services over \$15,000 without receiving board approval.

(b) Each college and university, in consultation with the system office, shall develop procedures to enter into contracts for professional or technical services.

(c) The policies and procedures developed by the board and by each college and university for professional or technical service contracts must be done in consultation with employees and their exclusive bargaining representatives and must address topics such as employee protections, information availability and reporting, conflict of interest, and renewal restrictions.

Sec. 47. [136F.582] [LOCAL CONTRACTING AUTHORITY.]

College and university presidents may enter into contracts to provide customized training or for short-term leases of instructional space or equipment without additional authorization.

Sec. 48. [136F.61] [STATE BUILDING CODE.]

All Minnesota state college and university facilities are subject to the provisions of the state building code under chapter 16B.

Sec. 49. [136F.67] [FINANCING OF CHILD CARE; PARKING.]

Subdivision 1. [AUTHORIZATION.] A technical college or a community college must not seek financing for child care facilities or parking facilities through the higher education facilities authority, as provided in section 136A.28, subdivision 7, without the explicit authorization of the board.

Subd. 2. [PARKING.] State appropriations for repair or construction of parking facilities must not be used for more than one-half of the repair or construction cost of a parking facility at any technical college or community college campus. The campus must provide the remaining costs through local revenue; however, revenue must not be raised through campuswide assessments of students or employees without regard to use of the parking facilities.

Sec. 50. Minnesota Statutes 1995 Supplement, section 136F.71, is amended by adding a subdivision to read:

Subd. 3. [INTEREST INCOME.] Interest income attributable to general fund dedicated receipts of the board is appropriated to the board. The board shall allocate the income proportionately among the colleges and universities.

Sec. 51. Minnesota Statutes 1995 Supplement, section 136F.72, subdivision 3, is amended to read:

Subd. 3. [ADMINISTRATION.] The board Each college and university, independent of other authority and notwithstanding chapters 16A and 16B, shall administer the money collected for the state colleges and universities its activity funds and the administrative fund. The board shall administer the administrative fund established in the system office. All activity fund money collected shall be administered under the policies of the board subject to audit of the legislative auditor.

Sec. 52. Minnesota Statutes 1995 Supplement, section 136F.80, subdivision 2, is amended to read:

Subd. 2. [DEPOSIT OF MONEY.] The board shall provide by policy, in accordance with provisions of chapter 118, for the deposit of all money received or referred to under this section. Whenever the board shall by resolution determine that there are moneys in the state college or university funds not currently needed, the board may by resolution authorize and direct the president of the college or university to invest a specified amount in securities as are duly authorized as legal investments for savings banks and trust companies. Securities so purchased shall be deposited and held for the board by any bank or trust company authorized to do a banking business in this state. Notwithstanding the provisions of chapter 118, the state board of investment may invest assets of the board, colleges, and universities when requested by the board, college, or university.

Sec. 53. Minnesota Statutes 1994, section 137.37, is amended to read:

137.37 [OFF-CAMPUS SITES AND CENTERS.]

The board of regents and the university campuses are requested to not establish any off-campus centers or other permanent sites located off university campuses to provide academic programs, courses, or student services without authorizing legislation. This section does not apply to sites set up specifically for the delivery of courses and programs through telecommunications.

Sec. 54. Minnesota Statutes 1995 Supplement, section 169.441, subdivision 5, is amended to read:

Subd. 5. [OPTIONAL MARKINGS; RULES.] A school district or technical college may elect to show on the front and rear of the school buses that it owns or contracts for, a plainly visible, summary message explaining section 169.444, subdivisions 1 and 2. If the school district or technical college elects to display the message, it must conform with the rules of the commissioner of children, families, and learning. The commissioner shall adopt rules governing the size, type, design, display, and content of the summary message that may be shown.

Sec. 55. Minnesota Statutes 1994, section 169.448, subdivision 2, is amended to read:

Subd. 2. [SCHOOL MOTOR COACHES.] (a) Neither A school district nor a technical college may not acquire a motor coach for transportation purposes.

(b) A motor coach acquired by a school district or technical college before March 26, 1986, may be used by it only to transport students participating in school activities, their instructors, and supporting personnel to and from school activities. A motor coach may not be outwardly equipped and identified as a school bus. A motor coach operated under this subdivision is not a school bus for purposes of section 124.225. The state board of education shall implement rules governing the equipment, identification, operation, inspection, and certification of motor coaches operated under this subdivision.

(c) After January 1, 1998, ~~neither a school district nor a technical college~~ may not own or operate a motor coach for any purpose.

Sec. 56. Minnesota Statutes 1994, section 201.1611, is amended to read:

201.1611 [POST-SECONDARY INSTITUTION VOTER REGISTRATION.]

Subdivision 1. [FORMS.] All post-secondary institutions that enroll students accepting state or federal financial aid shall provide voter registration forms to each student ~~upon payment of tuition, fees, and activities funds at the commencement of~~ as early as possible in the fall quarter. The forms must contain spaces for the information required in section 201.071, subdivision 1, and applicable rules of the secretary of state. The institutions may request these forms from the secretary of state. Institutions shall consult with their campus student government in determining the most effective means of distributing the forms.

Subd. 2. [STUDENT VOTER REGISTRATION.] ~~Upon registration or receipt of payment of fees, students must be asked if they want to register to vote at the same time.~~ A copy of each completed voter registration form must be sent to the county auditor of the county in which the voter maintains residence or to the secretary of state as soon as possible. All completed voter registration forms must be forwarded ~~to the county auditor within five days and in no case later than 21 days before the general election.~~

Sec. 57. Minnesota Statutes 1994, section 248.07, subdivision 7, is amended to read:

Subd. 7. [BLIND, VENDING STANDS AND MACHINES ON GOVERNMENTAL PROPERTY.] Notwithstanding any other law, for the rehabilitation of blind persons the commissioner shall have exclusive authority to establish and to operate vending stands and vending machines in all buildings and properties owned or rented exclusively by the Minnesota state colleges and universities at a state university or, a community college systems, a consolidated community technical college, or a technical college served by the commissioner before January 1, 1996, or by any department or agency of the state of Minnesota except the department of natural resources properties operated directly by the division of state parks and not subject to private leasing. The merchandise to be dispensed by such vending stands and machines may include nonalcoholic beverages, food, candies, tobacco, souvenirs, notions and related items. Such vending stands and vending machines herein authorized shall be operated on the same basis as other vending stands for the blind established and supervised by the commissioner under federal law. The commissioner shall waive this authority to displace any present private individual concessionaire in any state-owned or rented building or property who is operating under a contract with a specific renewal or termination date, until the renewal or termination date. With the consent of the governing body of a governmental subdivision of the state, the commissioner may establish and supervise vending stands and vending machines for the blind in any building or property exclusively owned or rented by the governmental subdivision.

Sec. 58. Laws 1995, chapter 212, article 2, section 20, subdivision 1, is amended to read:

Subdivision 1. [PLAN.] The state universities, community colleges, and technical colleges shall each develop and implement plans, in conjunction with the board of trustees, to provide students with job placement history and projected demand to students at the time the student declares a major program or field of study for careers in major programs or fields of study. The University of Minnesota campuses are requested to develop and implement similar plans. These plans may allow for this information to be provided through such means as in-person student advising or electronic delivery, as determined by the campus to best address student needs.

Sec. 59. Laws 1995, chapter 212, article 2, section 20, subdivision 2, is amended to read:

Subd. 2. [CONTENTS.] Information provided must include program placement history, and projected demand in the field and in associated types of placement, using labor market forecasting information from the department of economic security or similar materials. The plan must provide for students to indicate in writing that they received the information.

Sec. 60. [MINNESOTA STATE COLLEGE AND UNIVERSITY POLICIES.]

Subdivision 1. [GENERAL.] In establishing system policies under this section and elsewhere in this act, the system office and campus representatives shall consult with the departments of administration, employee relations, and finance.

Subd. 2. [PROPERTY DISPOSAL POLICY.] Notwithstanding Minnesota Statutes, section 15.054, Minnesota state college and university system and campus officials, in consultation with the department of administration, shall establish an efficient method for the disposal and exchange of property and equipment no longer needed by the system office or a campus, but that might be of use to another college or university in the system.

Sec. 61. [FINANCIAL AID RULES.]

The higher education services office shall eliminate the requirement that schools document that students have been counseled regarding responsibilities as SELF loan borrowers. Schools shall have a campus policy for counseling students about their obligations and responsibilities as SELF borrowers. This counseling may be done in conjunction with federal loan counseling. The office shall work with the Minnesota association of financial aid administrators to determine a solution to the problems created by different federal and state disbursement schedules and to improve the process relating to holds on state grants for nonpayment of child support.

Sec. 62. [CONTRACT LIABILITY.]

Any procurement contract involving the department of administration that (1) was entered into before March 1, 1996, and (2) would be breached without the participation of the Minnesota state colleges and universities as determined by the attorney general, shall remain in effect until the first time that the Minnesota state colleges and universities can be excluded without liability.

Sec. 63. [REPEALER.]

Minnesota Statutes 1994, sections 137.03; 137.05; 137.06; 137.07; 137.08; 137.11; 137.14; 137.15; and 137.33; and Minnesota Statutes 1995 Supplement, section 136F.59, subdivision 1, are repealed.

Sec. 64. [EFFECTIVE DATE.]

Sections 1 to 63 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to education; removing mandates from higher education; requiring increased accountability and performance for funding; amending Minnesota Statutes 1994, sections 15.43, subdivisions 2 and 3; 16B.01, subdivision 2; 16B.21, subdivisions 1 and 3; 16B.33, subdivisions 1, 3, and 4; 16B.35, by adding a subdivision; 16B.36, subdivision 1; 16B.37, subdivision 1; 16B.41, subdivision 2; 16B.482; 16B.49; 16B.531; 16B.54, subdivision 1; 16B.85, subdivision 2; 43A.05, subdivision 4; 43A.10, subdivision 3; 123.70, subdivision 10; 135A.033; 135A.14, as amended; 137.37; 169.448, subdivision 2; 201.1611; and 248.07, subdivision 7; Minnesota Statutes 1995 Supplement, sections 16B.17, subdivision 6; 16B.465, subdivision 4; 43A.06, subdivision 1; 135A.181, subdivision 2; 136A.101, subdivision 10; 136F.06, subdivisions 1 and 2; 136F.12; 136F.16, subdivision 3; 136F.18; 136F.30; 136F.36, subdivision 2; 136F.44, subdivision 2; 136F.50; 136F.53, subdivisions 1 and 3; 136F.58; 136F.71, by adding a subdivision; 136F.72, subdivision 3; 136F.80, subdivision 2; and 169.441, subdivision 5; Laws 1995, chapter 212, article 2, section 20, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapters 135A; 136A; and 136F; repealing Minnesota Statutes 1994, sections 137.03; 137.05; 137.06; 137.07; 137.08; 137.11; 137.14; 137.15; and 137.33; Minnesota Statutes 1995 Supplement, section 136F.59, subdivision 1."

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

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

**S.F. No. 2709:** A bill for an act relating to state government; requiring the commissioner of human rights to submit a plan to the legislature.

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

Page 1, line 8, after "rights" insert ", in consultation with the Indian affairs council, the council on affairs of Spanish-speaking people, the council on Black Minnesotans, and the council on Asian-Pacific Minnesotans,"

Page 1, line 12, before the period, insert "and any recommendations for organizational, staff, or budget changes"

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

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

**S.F. No. 2372:** A bill for an act relating to notaries public; regulating advertisement in languages other than English; providing penalties; proposing coding for new law in Minnesota Statutes, chapter 359.

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

Delete everything after the enacting clause and insert:

"Section 1. [325E.031] [IMMIGRATION SERVICES.]

Subdivision 1. [DEFINITIONS.] (a) For the purpose of this section, the terms in this subdivision have the meanings given.

(b) "Immigration matter" means any proceeding, filing, or action affecting the nonimmigrant, immigrant, or citizenship status of any person that arises under immigration and naturalization law, executive order, or presidential proclamation of the United States or any foreign country, or that arises under action of the United States Immigration and Naturalization Service, the United States Department of Labor, or the United States Department of State.

(c) "Immigration assistance service" means any advice, guidance, information, or action provided or offered to customers or prospective customers relating to any immigration matter.

Subd. 2. [NOTICE.] (a) Any person who provides or offers immigration assistance services in this state shall post a notice at that person's place of business, setting forth information in English and in every other language in which the person provides or offers to provide immigration assistance services. Each language must be on a separate sign and posted in a location visible to customers. Each sign must be at least 11 inches by 17 inches and must contain the following statements:

(1) "I AM NOT AN ATTORNEY LICENSED TO PRACTICE LAW AND MAY NOT GIVE LEGAL ADVICE OR ACCEPT FEES FOR LEGAL ADVICE."

(2) "I AM NOT ACCREDITED TO REPRESENT YOU BEFORE THE UNITED STATES IMMIGRATION AND NATURALIZATION SERVICE AND THE IMMIGRATION BOARD OF APPEALS."

(b) Any person who advertises immigration assistance services in a language other than English, whether by radio, television, signs, pamphlets, newspapers, or other written communication, with the exception of a single desk plaque, shall post or otherwise include with the advertisement a notice in English and the language in which the advertisement appears that contains the language in paragraph (a), clause (1).

Subd. 3. [PROHIBITED ACTIVITIES.] Any person who provides or offers to provide immigration services may not do any of the following:

- (1) give any legal advice concerning an immigration matter;
- (2) represent, hold out or advertise, in connection with the provision of assistance in immigration matters, other titles or credentials in any language, including, but not limited to, "notary public" or "immigration consultant," that could cause a customer to believe that the person possesses special professional skills or is authorized to provide advice on an immigration matter;
- (3) make any misrepresentation or false statement, directly or indirectly, to influence, persuade, or induce patronage;
- (4) retain any compensation for service not performed; or
- (5) refuse to return documents supplied by, prepared on behalf of, or paid for by the customer upon the request of the customer even if subject to a fee dispute.

Subd. 4. [EXEMPTIONS.] This section does not apply to:

- (1) an attorney licensed to practice law in any state or territory of the United States, or in any foreign country when authorized by the Minnesota supreme court, to the extent the attorney renders immigration assistance service in the course of practicing as an attorney;
- (2) a legal intern, as described by the rules of the Minnesota supreme court, employed by and under the direct supervision of a licensed attorney and rendering immigration assistance service in the course of the intern's employment;
- (3) a not-for-profit organization recognized by the Board of Immigration Appeals under Code of Federal Regulations, title 8, section 292.2(a), and employees of those organizations accredited under Code of Federal Regulations, title 8, section 292.2(d), and designated entities as defined under Code of Federal Regulations, title 8, section 245a.1; and
- (4) an organization employing or desiring to employ an alien or nonimmigrant alien, where the organization, its employees or its agents provide advice or assistance in immigration matters to alien or nonimmigrant alien employees or potential employees without compensation from the individuals to whom the advice or assistance is provided.

Subd. 5. [PENALTY AND REMEDIES.] A person who violates this section is guilty of a misdemeanor. The penalties and remedies of section 8.31 apply to violations of this section, including a private cause of action.

Sec. 2. [359.062] [NOTICE; LANGUAGES OTHER THAN ENGLISH.]

(a) A notary public who is not an attorney who advertises the services of a notary public in a language other than English, whether by radio, television, signs, pamphlets, newspapers, or other written communication, with the exception of a single desk plaque, shall post or otherwise include with the advertisement a notice in English and the language in which the advertisement appears. This notice must be of a conspicuous size, if in writing, and must state: "I AM NOT AN ATTORNEY LICENSED TO PRACTICE LAW IN MINNESOTA AND MAY NOT GIVE LEGAL ADVICE OR ACCEPT FEES FOR LEGAL ADVICE." If the advertisement is by radio or television, the statement may be modified but must include substantially the same message.

(b) A notary public who violates this section is guilty of a misdemeanor."

Delete the title and insert:

"A bill for an act relating to consumer protection; regulating the provision of immigration services; regulating notaries public; providing penalties; proposing coding for new law in Minnesota Statutes, chapters 325E; and 359."

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

**Mr. Vickerman from the Committee on Metropolitan and Local Government, to which was referred**

**S.F. No. 2204:** A bill for an act relating to the metropolitan airports commission; clarifying and extending noise mitigation spending requirements; amending Minnesota Statutes 1994, section 473.661, subdivision 4.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1994, section 473.661, subdivision 4, is amended to read:

Subd. 4. [NOISE MITIGATION.] (a) According to the schedule in paragraph (b), commission funds must be dedicated (1) to supplement the implementation of corrective land use management measures approved by the Federal Aviation Administration as part of the commission's Federal Aviation Regulations, part 150 noise compatibility program, and (2) for soundproofing and accompanying air conditioning of residences, schools, and other public buildings when there is a demonstrated need because of aircraft noise, regardless of the location of the building to be soundproofed, ~~or any combination of the three.~~

(b) The noise mitigation program described in paragraph (a) shall be funded by the commission from whatever source of funds according to the following schedule:

In 1993, an amount equal to 20 percent of the passenger facilities charges revenue amount budgeted by the commission for 1993;

In 1994, an amount equal to 20 percent of the passenger facilities charges revenue amount budgeted by the commission for 1994;

In 1995, an amount equal to 35 percent of the passenger facilities charges revenue amount budgeted by the commission for 1995; and

In 1996 and 1997, an amount equal to 40 percent of the passenger facilities charges revenue amount budgeted by the commission for 1996.

(c) The commission's capital improvement projects, program, plan must reflect the requirements of this section. As part of the commission's report to the legislature under section 473.621, subdivision 1a, the commission must provide a description and the status of each noise mitigation project implemented under this section.

(d) ~~Within 60~~ 180 days of submitting the commission's and the metropolitan council's report and recommendations on major airport planning to the legislature as required by section 473.618, the commission, with the assistance of its sound abatement advisory committee, shall make a recommendation to the legislature regarding appropriate funding levels for noise mitigation at Minneapolis-St. Paul International Airport and in the neighboring communities.

Sec. 2. [APPLICATION.]

Section 1 applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington."

Delete the title and insert:

"A bill for an act relating to the metropolitan airports commission; clarifying and extending noise mitigation spending requirements; requiring a report; amending Minnesota Statutes 1994, section 473.661, subdivision 4."

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

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

**S.F. No. 1884:** A bill for an act relating to education; clarifying education finance statutes; clarifying school transportation statutes; clarifying revenue used in calculation of community education and early childhood education reserve accounts; modifying name of high school

graduation incentives program; repealing law addressing relationship between technical colleges and school districts; amending Minnesota Statutes 1994, sections 120.17, subdivision 9; 120.73, subdivision 1; 121.906; 124.195, subdivision 8; 124.2711, subdivision 6; 124.2713, subdivision 10; 124A.0311, subdivision 3; 124A.22, by adding a subdivision; and 256.736, subdivision 11; Minnesota Statutes 1995 Supplement, sections 120.064, subdivision 9; 120.17, subdivision 6; 120.181; 120.74, subdivision 1; 121.911, subdivision 5; 124.155, subdivision 2; 124.195, subdivision 12; 124.223, subdivision 4; 124.225, subdivisions 8l, 14, 16, and 17; 124.243, subdivision 2; 124.273, subdivision 1d; 124.314, subdivision 2; 124.3201, subdivisions 1 and 2; 124.3202; 124.323, subdivisions 1 and 2; 124.918, subdivision 2; 124A.22, subdivisions 10 and 13b; 124A.23, subdivision 4; 126.22, subdivisions 2 and 5; and 169.01, subdivision 6; Laws 1995, First Special Session chapter 3, article 1, section 61; article 2, section 51, subdivision 7; and section 53.

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

Section 1. Minnesota Statutes 1995 Supplement, section 121.904, subdivision 4a, is amended to read:

Subd. 4a. [LEVY RECOGNITION.] (a) "School district tax settlement revenue" means the current, delinquent, and manufactured home property tax receipts collected by the county and distributed to the school district, including distributions made pursuant to section 279.37, subdivision 7, and excluding the amount levied pursuant to section 124.914, subdivision 1.

(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 48 17.2 percent for fiscal year 1996 and 6.5 percent for fiscal year 1997 and thereafter 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) 48 17.2 percent for fiscal year 1996, 6.5 percent for fiscal year 1997 and thereafter 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;

(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;

(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 124.755.

(c) In July of each year, the school district shall recognize as revenue that portion of the school

district tax settlement revenue received in that calendar year and not recognized as revenue for the previous fiscal year pursuant to clause (b).

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

Sec. 2. Minnesota Statutes 1995 Supplement, section 121.904, subdivision 4c, is amended to read:

Subd. 4c. [CHANGE IN LEVY RECOGNITION PERCENT.] (a) Money appropriated under section 16A.152, subdivision 2, must be used to reduce the levy recognition percent specified in subdivision 4a, clauses (b)(2) and (b)(3), for taxes payable in the ~~succeeding~~ same calendar year the appropriation is made.

(b) The levy recognition percent shall equal the result of the following computation: the current levy recognition percent, times the ratio of

(1) the statewide total amount of levy recognized in June of the year in which the taxes are payable pursuant to subdivision 4a, clause (b), excluding those levies that are shifted for revenue recognition but are not included in the computation of the adjustment to aids under section 124.155, subdivision 1, reduced by the difference between the amount of money appropriated under section 16A.152, subdivision 2, and the amount required for the adjustment payment under clause (d), to

(2) the statewide total amount of the levy recognized in June of the year in which the taxes are payable pursuant to subdivision 4a, clause (b), excluding those levies that are shifted for revenue recognition but are not included in the computation of the adjustment to aids under section 124.155, subdivision 1.

The result shall be rounded up to the nearest one-tenth of a percent. However, in no case shall the levy recognition percent be reduced below zero or increased above the current levy recognition percent.

(c) The commissioner of finance must certify to the commissioner of children, families, and learning the levy recognition percent computed under this subdivision by January 5 of each year. The commissioner of children, families, and learning must notify school districts of a change in the levy recognition percent by January 15.

(d) When the levy recognition percent is increased or decreased as provided in this subdivision, a special aid adjustment shall be made to each school district with an operating referendum levy:

(i) When the levy recognition percent is increased from the prior fiscal year, the commissioner of children, families, and learning shall calculate the difference between (1) the amount of the levy under section 124A.03, that is recognized as revenue for the current fiscal year according to subdivision 4a; and (2) the amount of the levy, under section 124A.03, that would have been recognized as revenue for the current fiscal year had the percentage according to subdivision 4a, not been increased. The commissioner shall reduce other aids due the district by the amount of the difference. This aid reduction shall be in addition to the aid reduction required because of the increase pursuant to this subdivision of the levy recognition percent.

(ii) When the levy recognition percent is reduced from the prior fiscal year, a special adjustment payment shall be made to each school district with an operating referendum levy that received an aid reduction when the levy recognition percent was last increased. The special adjustment payment shall be in addition to the additional payments required because of the reduction pursuant to this subdivision of the levy recognition percent. The amount of the special adjustment payment shall be computed by the commissioner of children, families, and learning such that any remaining portion of the aid reduction these districts received that has not been repaid is repaid on a proportionate basis as the levy recognition percent is reduced from 50 percent

to 31 percent. The special adjustment payment must be included in the state aid payments to school districts according to the schedule specified in section 124.195, subdivision 3.

(e) The commissioner of finance shall transfer from the general fund to the education aids appropriations specified by the commissioner of children, families, and learning, the amounts needed to finance the additional payments required because of the reduction pursuant to this subdivision of the levy recognition percent. Payments to a school district of additional state aids resulting from a reduction in the levy recognition percent must be included in the cash metering of payments made according to section 124.195 after January 15, and must be paid in a manner consistent with the percent specified in that section.

Sec. 3. Minnesota Statutes 1994, section 121.906, is amended to read:

121.906 [EXPENDITURES; REPORTING.]

Subdivision 1. [RECOGNITION.] School district expenditures shall be recognized and reported on the district books of account in accordance with this section.

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.

Deviations from the principles set forth in this section subdivision shall be evaluated and explained in footnotes to audited financial statements.

Subd. 2. [ACCOUNTING.] Expenditures for any legal purpose of the school district not accounted for elsewhere shall be accounted for in the general fund.

Sec. 4. Minnesota Statutes 1995 Supplement, section 121.911, subdivision 5, is amended to read:

Subd. 5. [DEFICIT FOR CAPITAL PROJECTS.] Upon approval by the commissioner of children, families, and learning, a district may incur a deficit in the ~~capital expenditure fund reserve for operating capital account~~ for a period not to exceed three years to provide money for capital projects. A description of the project and a financial plan to recover the deficit shall be approved by the commissioner prior to the initiation of the project.

Sec. 5. Minnesota Statutes 1994, section 124.09, is amended to read:

124.09 [SCHOOL ENDOWMENT FUND, APPORTIONMENT.]

The school endowment fund shall be apportioned semiannually by the commissioner, on the first Monday in March and ~~October~~ September 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. 6. Minnesota Statutes 1994, section 124.155, subdivision 1, is amended to read:

Subdivision 1. [AMOUNT OF ADJUSTMENT.] Each year ~~state aids and credits enumerated in subdivision 2 payable to any school district for that fiscal year shall be adjusted, in the order listed, by the commissioner of children, families, and learning shall estimate for each district an amount equal to (1) the amount the district recognized as revenue for the prior fiscal year pursuant to section 121.904, subdivision 4a, clause (b), minus (2) the amount the district recognizes as revenue for the current fiscal year pursuant to section 121.904, subdivision 4a, clause (b). For the purposes of making the aid adjustment under this subdivision, the amount the district recognizes as revenue for either the prior fiscal year or the current fiscal year pursuant to section 121.904, subdivision 4a, clause (b), shall not include any amount levied pursuant to sections 124.226, subdivision 9, 124.912, subdivisions 2 and 3, or a successor provision only for those districts affected, 124.916, subdivisions 1 and 2, 124.918, subdivision 6, and the amount levied under section 124A.03, subdivision 2; and Laws 1992, chapter 499, articles 1, section 20, and 6, section~~

36. Payment from the permanent school fund shall not be adjusted pursuant to this section. The school district shall be notified of the amount of the adjustment made to each payment pursuant to this section. If the results of the calculation are negative, the commissioner shall certify the reduction amount to the home county auditor by April 15 of the fiscal year. If the results of the calculation are positive, the commissioner shall pay the amount to the school district before June 20.

In the next fiscal year, the commissioner shall make the same calculation for each district using actual data. Additional payments to be made to the district shall occur by September 30. Additional amounts to be deducted shall be certified to the home county auditor by September 30.

Sec. 7. Minnesota Statutes 1995 Supplement, section 124.155, subdivision 2, is amended to read:

Subd. 2. [ADJUSTMENT TO AIDS.] (a) The amount specified in subdivision 1 shall be used to adjust the following state aids and credits in the order listed:

(1) general education aid authorized in sections 124A.23 and 124B.20, excluding positive amounts calculated pursuant to section 124A.036, subdivision 5;

(2) secondary vocational aid authorized in section 124.573;

(3) special education aid authorized in section 124.32;

(4) secondary vocational aid for children with a disability authorized in section 124.574;

(5) aid for pupils of limited English proficiency authorized in section 124.273;

(6) transportation aid authorized in section 124.225;

(7) community education programs aid authorized in section 124.2713;

(8) adult education aid authorized in section 124.26;

(9) early childhood family education aid authorized in section 124.2711;

(10) capital expenditure aid authorized in sections 124.243, 124.244, and 124.83, excluding positive amounts calculated pursuant to section 124.245, subdivision 6;

(11) school district cooperation aid authorized in section 124.2727;

(12) assurance of mastery aid according to section 124.311;

(13) homestead and agricultural credit aid, disparity credit and aid, and changes to credits for prior year adjustments according to section 273.1398, subdivisions 2, 3, 4, and 7;

(14) attached machinery aid authorized in section 273.138, subdivision 3;

(15) alternative delivery aid authorized in section 124.322;

(16) special education equalization aid authorized in section 124.321;

(17) special education excess cost aid authorized in section 124.323;

(18) learning readiness aid authorized in section 124.2615;

(19) cooperation-combination aid authorized in section 124.2725; and

(20) district cooperation revenue aid authorized in section 124.2727.

(b) The commissioner of children, families, and learning shall schedule the timing of the adjustments to state aids and credits specified in subdivision 1, as close to the end of the fiscal year as possible.

Sec. 8. Minnesota Statutes 1995 Supplement, 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 in a program approved by the commissioner and has an individual education plan is counted as the ratio of the number of hours of assessment and education service to 825 with a minimum of 0.28, but not more than one.

(b) 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 825.

(c) 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.

(d) A kindergarten pupil who is not included in paragraph (c) is counted as .53 of a pupil unit for fiscal year 1995 and thereafter.

(e) A pupil who is in any of grades 1 to 6 is counted as 1.06 pupil units for fiscal year 1995 and thereafter.

(f) For fiscal year 1996 and fiscal year 1997, a pupil who is in any of grades 7 to 12 is counted as 1.3 pupil units. For fiscal year 1998, a pupil who is in any of grades 7 to 12 is counted as 1.25 pupil units. For fiscal year 1999 and later years, a pupil who is in any of grades 7 to 12 is counted as 1.2 pupil units.

(g) For fiscal year 1996 and fiscal year 1997, a pupil who is in the post-secondary enrollment options program is counted as 1.3 pupil units. For fiscal year 1998, a pupil who is in the post-secondary enrollment options program is counted as 1.25 pupil units. For fiscal year 1999 and later years, a pupil who is in the post-secondary enrollment options program is counted as 1.2 pupil units.

(h) In fiscal year 1998, the ~~sum of pupil units used in computing~~ a district's general education revenue and referendum revenue may not be reduced by more than two percent due to the reduction in the secondary pupil weight from 1.3 as specified in paragraphs (f) and (g). In fiscal year 1999 and later years, the ~~sum of pupil units used in computing~~ a district's general education revenue and referendum revenue may not be decreased by more than four percent due to the reduction in the secondary weight from 1.3 as specified in paragraphs (f) and (g).

Sec. 9. Minnesota Statutes 1995 Supplement, section 124.17, subdivision 1d, is amended to read:

Subd. 1d. [FISCAL YEAR 1997 AFDC PUPIL UNITS.] AFDC pupil units for fiscal year ~~1993 and thereafter~~ 1997 must be computed according to this subdivision.

(a) The AFDC concentration percentage for a district equals the product of 100 times the ratio of:

(1) the number of pupils enrolled in the district from families receiving aid to families with dependent children according to subdivision 1e; to

(2) the number of pupils in average daily membership according to subdivision 1e enrolled in the district.

(b) The AFDC pupil weighting factor for a district equals the lesser of one or the quotient obtained by dividing the district's AFDC concentration percentage by 11.5.

(c) The AFDC pupil units for a district for fiscal year 1993 and thereafter equals the product of:

(1) the number of pupils enrolled in the district from families receiving aid to families with dependent children according to subdivision 1e; times

- (2) the AFDC pupil weighting factor for the district; times
- (3) .67.

Sec. 10. Minnesota Statutes 1994, section 124.17, subdivision 1e, is amended to read:

Subd. 1e. [FISCAL YEAR 1997 AFDC PUPIL COUNTS.] AFDC pupil counts and average daily membership for subdivisions 1b and 1d shall be determined according to this subdivision:

(a) For districts where the number of pupils from families receiving aid to families with dependent children has increased over the preceding year for each of the two previous years, the number of pupils enrolled in the district from families receiving aid to families with dependent children shall be those counted on October 1 of the previous school year. The average daily membership used shall be from the previous school year.

(b) For districts that do not meet the requirement of paragraph (a), the number of pupils enrolled in the district from families receiving aid to families with dependent children shall be the average number of pupils on October 1 of the second previous school year and October 1 of the previous school year. The average daily membership used shall be the average number enrolled in the previous school year and the second previous school year.

(c) Notwithstanding paragraphs (a) and (b), for charter schools in the first three years of operation, the number of pupils enrolled from families receiving aid to families with dependent children shall be those counted on October 1 of the current school year. The average daily membership used shall be from the current school year.

Sec. 11. Minnesota Statutes 1994, section 124.17, is amended by adding a subdivision to read:

Subd. 1f. [AFDC PUPIL UNITS.] AFDC pupil units for fiscal year 1998 and thereafter must be computed according to this subdivision.

(a) The AFDC concentration percentage for a district equals the product of 100 times the ratio of:

(1) the number of pupils residing in the district from families receiving aid to families with dependent children according to subdivision 1g, paragraph (a);

(2) the number of pupils in average daily membership according to subdivision 1g, paragraph (a), residing in the district.

(b) The AFDC pupil weighting factor for AFDC pupils residing in a district equals the lesser of one or the quotient obtained by dividing the district's AFDC concentration percentage by 11.5.

(c) The AFDC pupil units for a district for fiscal year 1998 and thereafter for each pupil enrolled in the district from a family receiving aid to families with dependent children according to subdivision 1g, paragraph (b), equals the product of:

(1) the AFDC pupil weighting factor for pupil's district of residence; times

(2) .67.

Sec. 12. Minnesota Statutes 1994, section 124.17, is amended by adding a subdivision to read:

Subd. 1g. [AFDC PUPIL COUNTS.] (a) AFDC pupil counts and average daily membership for subdivision 1f, paragraph (a), shall be determined according to this paragraph.

(1) For districts where the number of resident pupils from families receiving aid to families with dependent children has increased over the preceding year for each of the two previous years, the number of pupils residing in the district from families receiving aid to families with dependent children shall be those counted on October 1 of the previous school year. The average daily membership used shall be from the previous school year.

(2) For districts that do not meet the requirement of paragraph (1), the number of pupils

residing in the district from families receiving aid to families with dependent children shall be the average number of pupils on October 1 of the second previous school year and October 1 of the previous school year. The average daily membership used shall be the average number of pupils residing in the district in the previous school year and the second previous school year.

(b) AFDC pupil counts for subdivision 1f, paragraph (b), shall be determined according to this paragraph.

(1) For districts where the number of pupils from families receiving aid to families with dependent children enrolled in the district has increased over the preceding year for each of the two previous years, the pupils enrolled in the district from families receiving aid to families with dependent children shall be those counted on October 1 of the previous school year.

(2) For districts that do not meet the requirement of paragraph (1), pupils enrolled in the district from families receiving aid to families with dependent children shall be those counted on October 1 of the previous school year times one-half, plus those counted on October 1 of the second previous school year times one-half.

(3) Notwithstanding clauses (1) and (2), for charter schools in the first three years of operation, the number of pupils enrolled from families receiving aid to families with dependent children shall be those counted on October 1 of the current school year.

Sec. 13. Minnesota Statutes 1994, section 124.195, subdivision 8, is amended to read:

Subd. 8. [PAYMENT PERCENTAGE FOR REIMBURSEMENT AIDS.] One hundred percent of the aid for the last fiscal year must be paid for the following aids: special education special pupil aid according to section 124.32, subdivision 6; special education summer school aid, according to section 124.32, subdivision 10 for the previous fiscal year must be paid in the current year.

Sec. 14. Minnesota Statutes 1995 Supplement, section 124.195, subdivision 12, is amended to read:

Subd. 12. [AID ADJUSTMENT FOR TRA CONTRIBUTION RATE CHANGE.] (a) The department of children, families, and learning shall reduce general education aid or any other aid paid in a fiscal year directly to school districts, ~~intermediate school districts, education districts, education cooperative service units, special education cooperatives, secondary vocational cooperatives, regional management information centers, or another.~~ Any district or cooperative unit providing elementary or secondary education services that is prohibited from receiving direct state aids by section 124.193 or 124.32, subdivision 12, is exempt from this reduction. The reduction shall equal the following percent of salaries paid in a fiscal year by the entity to members of the teachers retirement association established in chapter 354. However, salaries paid to members of the association who are employed by a technical college shall be excluded from this calculation:

(1) in fiscal year 1991, 0.84 percent,

(2) in fiscal year 1992 and later years, the greater of

(i) zero, or

(ii) 4.48 percent less the additional employer contribution rate established under section 354.42, subdivision 5.

(b) In fiscal year 1991, this reduction is estimated to equal \$14,260,000.

Sec. 15. Minnesota Statutes 1995 Supplement, section 124.248, subdivision 1, is amended to read:

Subdivision 1. [GENERAL EDUCATION REVENUE.] General education revenue shall be paid to a charter school as though it were a school district. The general education revenue for each pupil unit is the state average general education revenue per pupil unit minus \$170, calculated

without compensatory revenue, transportation sparsity revenue, and the transportation portion of the transition revenue adjustment, plus compensatory revenue as though the school were a school district.

Sec. 16. Minnesota Statutes 1995 Supplement, section 124.918, subdivision 2, is amended to read:

Subd. 2. [NOTICE TO COMMISSIONER; FORMS.] By ~~September 30~~ October 7 of each year each district shall notify the commissioner of children, families, and learning of the proposed levies in compliance with the levy limitations of this chapter and chapters 124A, 124B, and 136D. By January 15 of each year each district shall notify the commissioner of children, families, and learning of the final levies certified. The commissioner of children, families, and learning shall prescribe the form of these notifications and may request any additional information necessary to compute certified levy amounts.

Sec. 17. Minnesota Statutes 1995 Supplement, section 124A.03, subdivision 2, is amended to read:

Subd. 2. [REFERENDUM 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 one or two calendar years before the increased levy authority, 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 referendum tax rate as a percentage of market value in the first year it is to be levied, and that the revenue shall be used to finance school operations. The maximum amount of increased revenue per actual pupil unit may be annually increased by an amount equal to the initial authority times the increase in the inflation rate as determined by the change in the gross domestic product deflator for the previous year. By September 1 each year, the school board shall certify to the commissioner of children, families, and learning the amount of the increase, if any. If the school board determines to adjust the amount of the revenue per actual pupil unit by an amount equal to or less than the annual rate of inflation in the second and subsequent years the referendum levy is authorized, the ballot shall state that the per pupil unit amount will be adjusted by an amount less than or equal to the rate of inflation. The ballot may state that existing referendum levy authority is expiring. In this case, the ballot may also compare the proposed levy authority to the existing expiring levy authority, and express the proposed increase as the amount, if any, over the expiring referendum levy authority. The ballot shall designate the specific number of years, not to exceed ten, for which the referendum authorization shall apply. The notice required under section 275.60 may be modified to read, in cases of renewing existing levies:

"BY VOTING "YES" ON THIS BALLOT QUESTION, YOU MAY BE VOTING FOR A PROPERTY TAX INCREASE."

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 ....., 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 levy is certified shall be authorized for certification for the number of years approved, if applicable, or until revoked or reduced by the voters of the district at a subsequent referendum.

(b) The school board shall prepare and deliver by first class mail at least 15 days but no more than 30 days prior to the day of the referendum to each taxpayer a notice of the referendum and the proposed revenue increase. The school board need not mail more than one notice to any taxpayer. For the purpose of giving mailed notice under this subdivision, owners shall be those

shown to be owners on the records of the county auditor or, in any county where tax statements are mailed by the county treasurer, on the records of the county treasurer. Every property owner whose name does not appear on the records of the county auditor or the county treasurer shall be deemed to have waived this mailed notice unless the owner has requested in writing that the county auditor or county treasurer, as the case may be, include the name on the records for this purpose. The notice must project the anticipated amount of tax increase in annual dollars and annual percentage for typical residential homesteads, agricultural homesteads, apartments, and commercial-industrial property within the school district.

The notice for a referendum may state that an existing referendum levy is expiring and project the anticipated amount of increase over the existing referendum levy in the first year, if any, in annual dollars and annual percentage for typical residential homesteads, agricultural homesteads, apartments, and commercial-industrial property within the school district.

The notice must include the following statement: "Passage of this referendum will result in an increase in your property taxes." However, in cases of renewing existing levies, the notice may include the following statement: "Passage of this referendum may result in an increase in your property 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 levy amount must be based upon the dollar amount, local tax rate, or 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 children, families, and learning. 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 children, families, and learning of the results of the referendum.

(g) Except for a referendum held under subdivision 2b, 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.

Sec. 18. Minnesota Statutes 1994, section 124A.03, subdivision 3b, is amended to read:

Subd. 3b. [FISCAL YEAR 1997 REFERENDUM ALLOWANCE REDUCTION.] For fiscal year 1997, a district's referendum allowance under subdivision 1c is reduced by the amounts calculated in paragraphs (a), (b), (c), and (d).

(a) The referendum allowance reduction equals the amount by which a district's supplemental revenue reduction exceeds the district's supplemental revenue allowance for fiscal year 1993.

(b) Notwithstanding paragraph (a), if a district's initial referendum allowance is less than ten percent of the formula allowance for that year, the reduction equals the lesser of (1) an amount equal to \$100, or (2) the amount calculated in paragraph (a).

(c) Notwithstanding paragraph (a) or (b), a school district's referendum allowance reduction equals (1) an amount equal to \$100, times (2) one minus the ratio of 20 percent of the formula allowance minus the district's initial referendum allowance limit to 20 percent of the formula allowance for that year if:

(i) the district's adjusted net tax capacity for assessment year 1992 per actual pupil unit for fiscal year 1995 is less than \$3,000;

(ii) the district's net unappropriated operating fund balance as of June 30, 1993, divided by the actual pupil units for fiscal year 1995 is less than \$200;

(iii) the district's supplemental revenue allowance for fiscal year 1993 is equal to zero; and

(iv) the district's initial referendum revenue authority for the current year divided by the district's net tax capacity for assessment year 1992 is greater than ten percent.

(d) Notwithstanding paragraph (a), (b), or (c), the referendum revenue reduction for a newly reorganized district is computed as follows:

(1) for a newly reorganized district created effective July 1, 1994, the referendum revenue reduction equals the lesser of the amount calculated for the combined district under paragraph (a), (b), or (c), or the sum of the amounts by which each of the reorganizing district's supplemental revenue reduction exceeds its respective supplemental revenue allowances calculated for the districts as if they were still in existence for fiscal year 1995; or

(2) for a newly reorganized district created after July 1, 1994, the referendum revenue reduction equals the lesser of the amount calculated for the combined district under paragraph (a), (b), or (c), or the sum of the amounts by which each of the reorganizing district's supplemental revenue reduction exceeds its respective supplemental revenue allowances calculated for the year preceding the year of reorganization.

Sec. 19. Minnesota Statutes 1994, section 124A.03, is amended by adding a subdivision to read:

Subd. 3c. [REFERENDUM ALLOWANCE REDUCTION.] For fiscal year 1998 and later, a district's referendum allowance for referendum authority under subdivision 1c is reduced as provided in this subdivision.

(a) For referendum revenue authority approved before June 1, 1996, and effective for fiscal year 1997, the reduction equals the amount of the reduction computed for fiscal year 1997 under subdivision 3b.

(b) For referendum revenue authority approved before June 1, 1996, and effective beginning in fiscal year 1998, the reduction equals the amount of the reduction computed for fiscal year 1998 under subdivision 3b.

(c) For referendum revenue authority approved after June 1, 1996, there is no reduction.

(d) For districts with more than one referendum authority, the reduction shall be computed separately for each authority. The reduction shall be applied first to authorities levied against tax capacity, and then to authorities levied against referendum market value. For districts with more than one authority levied against net tax capacity or against referendum market value, the referendum allowance reduction shall be applied first to the authority with the earliest expiration date.

(e) For a newly reorganized district created after July 1, 1996, the referendum revenue reduction equals the lesser of the amount calculated for the combined district, or the sum of the amounts by which each of the reorganizing district's supplemental revenue reduction exceeds its respective supplemental revenue allowances calculated for the year preceding the year of reorganization.

Sec. 20. Minnesota Statutes 1995 Supplement, section 124A.0311, subdivision 2, is amended to read:

Subd. 2. [CONVERSION TO MARKET VALUE.] (a) Prior to June 1, 1997, by June 1 of each year, a school board may, by resolution of a majority of its board, convert any remaining portion of its referendum authority under section 124A.03, subdivision 2, that is authorized to be levied against net tax capacity to referendum authority that is authorized to be levied against the referendum market value of all taxable property located within the school district. At the option of the school board, any remaining portion of its referendum authority may be converted in two or more parts at separate times. The referendum authority may be converted from net tax capacity to referendum market value according to a schedule adopted by resolution of the school board for years prior to taxes payable in 2001, provided that, for taxes payable in 2001 and later, the full amount of the referendum authority is levied against referendum market value. The board must notify the commissioner of children, families, and learning of the amount of referendum authority that has been converted from net tax capacity to referendum market value, if any, by June 15, of each year. The maximum length of a referendum converted under this paragraph is ten years.

(b) For referendum levy amounts converted between June 1, 1997, and June 1, 1998, all other conditions of this subdivision apply except that the maximum length of the referendum is limited to seven years.

(c) For referendum levy amounts converted between June 1, 1998, and June 1, 1999, all other conditions of this subdivision apply except that the maximum length of the referendum is limited to six years.

(d) For referendum levy amounts converted between June 1, 1999, and June 1, 2000, all other conditions of this subdivision apply except that the maximum length of the referendum is limited to five years.

Sec. 21. Minnesota Statutes 1994, section 124A.0311, subdivision 3, is amended to read:

Subd. 3. [ALTERNATIVE CONVERSION.] A school district that has a referendum that is levied against net tax capacity that expires before taxes payable in 1998 may convert its referendum authority according to this subdivision. In the payable year prior to the year of expiration, the school board may authorize a referendum under section 124A.03. Notwithstanding any other law to the contrary, the district may propose, and if approved by its electors, have its referendum authority reauthorized in part on tax capacity and in part on referendum market value according to a schedule adopted by resolution of the school board for years prior to taxes payable in 2001, provided that, for taxes payable in 2001 and later, the full amount of referendum authority is levied against referendum market value. If the full amount of the referendum is reauthorized on referendum market value prior to taxes payable in 1998, the referendum may extend for ten years. If the referendum becomes fully reauthorized on referendum market value for a later year, the referendum shall not extend for more than the maximum number of years allowed under subdivision 2.

Sec. 22. Minnesota Statutes 1994, section 124A.035, subdivision 4, is amended to read:

Subd. 4. [COUNTY APPORTIONMENT DEDUCTION.] Each year the amount of money apportioned to a school district for that year pursuant to section 124.10, subdivision 2, excluding any district where the general education levy is determined according to section 124A.23, subdivision 3, shall be deducted from the general education aid earned by that district for the same year or from aid earned from other state sources.

Sec. 23. Minnesota Statutes 1994, section 124A.036, is amended by adding a subdivision to read:

Subd. 6. [CHARTER SCHOOLS.] The general education aid for districts must be adjusted for each pupil attending a charter school under section 120.064. 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 sum of the general education revenue exclusive of compensatory revenue.

(b) General education aid paid to a district in which a charter school not providing

transportation according to section 120.064, subdivision 15, is located shall be increased by an amount equal to the product of: (1) the sum of \$170, plus the transportation sparsity allowance for the district, plus the transportation transition allowance for the district; times (2) the pupil units attributable to the pupil.

(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.

Sec. 24. Minnesota Statutes 1995 Supplement, section 124A.22, subdivision 10, is amended to read:

Subd. 10. [TOTAL OPERATING CAPITAL REVENUE.] (a) For fiscal year 1997 and thereafter, total operating capital revenue for a district equals the amount determined under paragraph (b), (c), (d), (e), or (f), plus \$68 times the actual pupil units for the school year. The revenue must be placed in a reserved account in the general fund and may only be used according to subdivision 11.

(b) For fiscal years 1996 and later, capital revenue for a district equals \$100 times the district's maintenance cost index times its actual pupil units for the school year.

(c) For 1996 and later fiscal years, the previous formula revenue for a district equals \$128 times its actual pupil units for fiscal year 1995.

(d) Notwithstanding paragraph (b), for fiscal year 1996, the revenue for each district equals 25 percent of the amount determined in paragraph (b) plus 75 percent of the previous formula revenue.

(e) Notwithstanding paragraph (b), for fiscal year 1997, the revenue for each district equals 50 percent of the amount determined in paragraph (b) plus 50 percent of the previous formula revenue.

(f) Notwithstanding paragraph (b), for fiscal year 1998, the revenue for each district equals 75 percent of the amount determined in paragraph (b) plus 25 percent of the previous formula revenue.

(g) The revenue in ~~paragraph (b)~~ for a district that operates a program under section 121.585, is increased by an amount equal to \$15 times the number of actual pupil units at the site where the program is implemented.

Sec. 25. Minnesota Statutes 1994, section 124A.22, is amended by adding a subdivision to read:

Subd. 11a. [USES OF REVENUE.] Except as otherwise prohibited by law, a district may spend general fund money for capital purposes.

Sec. 26. Minnesota Statutes 1995 Supplement, section 124A.22, subdivision 13b, is amended to read:

Subd. 13b. [TRANSITION ALLOWANCE.] (a) A district's transportation transition allowance for fiscal year 1997 equals the result of the following computation:

(1) if the result in subdivision 13a, paragraph (a), clause (iii), for fiscal year 1997 is less than the fiscal year 1996 base allowance, the transportation transition allowance equals the fiscal year 1996 base allowance minus the result in section 124A.22, subdivision 13a, paragraph (a), clause (iii).

(2) if the result in subdivision 13a, paragraph (b), for fiscal year 1997 is greater than the fiscal year 1996 base allowance and less than 110 percent of the fiscal year 1996 base allowance, the transportation transition allowance equals zero.

(3) if the result in subdivision 13a, paragraph (b), for fiscal year 1997 is greater than 110

percent of the fiscal year 1996 base allowance, the transportation transition allowance equals 110 percent of the fiscal year 1996 base allowance minus the result in subdivision 13a, paragraph (a), clause (iii).

(b) A district's transportation transition allowance for fiscal year 1998 equals the result of the following:

(1) if the result in subdivision 13a, paragraph (a), clause (iii), for fiscal year 1998 is less than the fiscal year 1996 base allowance, the transportation transition allowance equals the fiscal year 1996 base allowance minus the result in subdivision 13a, paragraph (a), clause (iii); or

(2) if the result in subdivision 13a, paragraph (a), clause (iii), for fiscal year 1998 is greater than or equal to the fiscal year 1996 base allowance, the transportation transition allowance equals zero.

(c) For fiscal years 1997 and 1998, a district's training and experience transition allowance is equal to the training and experience revenue the district would have received under Minnesota Statutes 1994, section 124A.22, subdivision 4, divided by the actual pupil units for fiscal year 1997 minus \$130. For fiscal year 1999 and later, a district's training and experience transition allowance equals zero.

If the training and experience transition allowance is less than zero, the reduction shall be determined according to the following schedule:

- (i) for fiscal year 1997, the reduction is equal to .9 times the amount initially determined;
- (ii) for fiscal year 1998, the reduction is equal to .75 times the amount initially determined;
- (iii) for fiscal year 1999, the reduction is equal to .50 times the amount initially determined;
- (iv) for fiscal year 2000, the reduction is equal to .25 times the amount initially determined; and
- (v) for fiscal year 2001 and thereafter, the transition allowance shall not be less than zero.

~~(e)~~ (d) A district's transition allowance for fiscal year 1997 and thereafter is equal to the sum of its transportation transition allowance and its training and experience transition allowance.

Sec. 27. Minnesota Statutes 1995 Supplement, section 124A.23, subdivision 4, is amended to read:

Subd. 4. [GENERAL EDUCATION AID.] A district's general education aid is the sum of the following amounts:

(1) the product of (i) the difference between the general education revenue, excluding transition revenue and supplemental revenue, and the general education levy, times (ii) the ratio of the actual amount levied to the permitted levy;

- (2) transition aid according to section 124A.22, subdivision 13e;
- (3) supplemental aid according to section 124.214, subdivision 2;
- (4) shared time aid according to section 124A.02, subdivision 21; and
- (5) referendum aid according to section 124A.03.

Sec. 28. Minnesota Statutes 1994, section 124A.28, subdivision 1, is amended to read:

Subdivision 1. [USE OF THE REVENUE.] ~~The compensatory education revenue under section 124A.22, subdivision 3, may be used to provide eligible services to eligible pupils according to section 124.311, subdivisions 3 and 4. It also may must be used to meet the educational needs of pupils whose educational achievement is below the level that is appropriate for pupils of their age. These needs may be met by providing at least some of the following:~~

(1) direct instructional services under the assurance of mastery program according to section 124.311;

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

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

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

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

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

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

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

(9) all day kindergarten;

(10) extended school day and extended school year programs; and

(11) other methods to increase achievement, as needed.

Sec. 29. Minnesota Statutes 1994, section 124A.28, is amended by adding a subdivision to read:

Subd. 4. [ANNUAL STUDENT ASSESSMENT.] Each year, a school district that receives compensatory revenue shall submit a report to the department showing the change in student achievement for students who have received services under subdivision 1.

Sec. 30. Minnesota Statutes 1994, section 276.11, is amended by adding a subdivision to read:

Subd. 4. [DEDUCTION FOR SCHOOL DISTRICT REVENUE RECOGNITION.] (a) The county treasurer shall reduce the payments in section 276.11, subdivision 1, and section 276.111, by the amounts certified by the commissioner of children, families, and learning according to section 124.155, subdivision 1. The county treasurer shall pay the amount deducted to the state treasurer for deposit in the state general fund.

(b) The amounts deducted and paid under paragraph (a) are appropriated to the department of children, families, and learning pursuant to section 124A.032.

Sec. 31. Laws 1993, chapter 224, article 1, section 34, subdivision 2, is amended to read:

Subd. 2. [AID ADJUSTMENT.] For fiscal year 1994 1996 only, the department of education children, families, and learning shall include in the general education aid calculation for independent school district No. 504, Slayton, or its successor district, and independent school district No. 918, Chandler-Lake Wilson, or its successor district, the sum of the amounts by which the district's general education aid was reduced for fiscal years 1992 and 1993 year 1994 under Minnesota Statutes, section 124A.26.

Sec. 32. Laws 1993, chapter 224, article 1, section 34, subdivision 3, is amended to read:

Subd. 3. [LEVY ADJUSTMENT.] For ~~1993~~ 1996 taxes payable in ~~1994~~ 1997 only, independent school district No. 504, Slayton, or its successor district, and independent school district No. 918, Chandler-Lake Wilson, or its successor district, may levy an amount not to exceed the sum of the levy reductions for fiscal years ~~1992 and 1993~~ year 1994 resulting from the general education revenue fund balance reduction under Minnesota Statutes, section 124A.26.

Sec. 33. Laws 1995, First Special Session chapter 3, article 1, section 61, is amended to read:

Sec. 61. [FORMULA ALLOWANCE.]

Notwithstanding the amount of the formula allowance for fiscal year 1997, in Minnesota Statutes, section 124A.22, subdivision 2, the commissioner shall use the amount of the formula allowance minus \$300 for fiscal year 1997 in determining the payments under Minnesota Statutes, sections 123.3514, subdivisions 6 and 8 6b; 124A.02, subdivision 21; 126.22; and 126.23.

Sec. 34. Laws 1995, First Special Session chapter 3, article 14, section 5, is amended to read:

Sec. 5. [FISCAL YEAR 1998 AND 1999 APPROPRIATIONS.]

The appropriations for the 1998-99 biennium for programs contained in this act shall be ~~\$2,943,900,000~~ \$2,967,498,000 for fiscal year 1998 and ~~\$3,076,600,000~~ \$3,020,771,000 for fiscal year 1999, plus or minus any adjustments due to variance in pupil forecasts, levies, or other factors generating entitlements for the general revenue program. These amounts shall first be allocated to fully fund the general revenue program. Amounts remaining shall be allocated to other programs in proportion to the fiscal year ~~1997~~ 1997 appropriations or to entitlements generated by existing law for those programs for each year, up to the amount of the entitlement or the fiscal year ~~1997~~ 1997 appropriations. Any amounts remaining after allocation to these other programs shall be maintained for allocation recommendations by the governor and legislature in the ~~1997~~ 1997 session.

Sec. 35. [LEARNING YEAR PUPIL UNITS.]

When a pupil is enrolled in a learning year program according to Minnesota Statutes, section 121.585, an area learning center according to Minnesota Statutes, sections 124C.45 and 124C.46, or an alternative program approved by the commissioner, for more than 1,020 hours in a school year, that pupil may be counted as more than one pupil in average daily membership. The amount in excess of one pupil must be determined by the ratio of hours of instruction provided to that pupil in excess of 1,020 to 1,020. Hours that occur after the close of the instructional year in June shall be attributable to the following year.

Sec. 36. [LEVY AUTHORITY.]

Subdivision 1. [DELANVAN.] For property taxes payable in 1997 only, independent school district No. 218, Delavan, or its successor district, may levy up to \$97,000 on the property in independent school district No. 218. This levy may be made only if the independent school district No. 218 has voted to consolidate with independent school district No. 2148, Blue Earth. Revenue received according to this subdivision must be used for capital or maintenance purposes for facilities in independent school district No. 218.

Subd. 2. [ELMORE.] For property taxes payable in 1997 only, independent school district No. 219, Elmore, or its successor district, may levy up to \$116,000 on the property in independent school district No. 219. This levy may be made only if independent school district No. 219 has voted to consolidate with independent school district No. 2148, Blue Earth. Revenue received according to this subdivision must be used for capital or maintenance purposes for facilities in independent school district No. 219.

Sec. 37. [LEVY EQUITY REDUCTION.]

For fiscal year 1997 only for a school district whose total operating expenditures per pupil unit are in the lowest 20th percentile of all school districts and where the average personal income per capita of the district, as determined by the recent census, is in the lowest 25th percentile of Minnesota school districts, and where not more than ten percent of the district's estimated market value is class 3a commercial or industrial property under Minnesota Statutes, section 273.13,

subdivision 24, and is subject to Minnesota Statutes, section 124A.24, aid under section 124A.036 must not be reduced.

Sec. 38. [TRANSPORTATION AND CAPITAL EXPENDITURE FUNDS; DISSOLUTION.]

Effective July 1, 1996, the transportation fund and the capital expenditure fund of each school district or other unit reporting under Minnesota Statutes, section 121.908, is dissolved. The June 30, 1996, balances of the unreserved transportation fund and reserved for bus purchase account shall be transferred to the general fund unreserved balance. The June 30, 1996, balance of the capital expenditure facilities account and capital expenditure equipment account shall be transferred to the general fund reserved for operating capital account. The June 30, 1996, balance of the reserved for health and safety account shall be transferred to the general fund reserved for health and safety account. The June 30, 1996, balance of the reserved for disabled accessibility account shall be transferred to the general fund reserved for disabled accessibility account. Effective July 1, 1996, all revenues and expenditures formerly accounted for in the capital expenditure fund and the transportation fund shall be accounted for in the general fund.

Sec. 39. [REFERENDUM LEVY RECOGNITION.]

Notwithstanding Minnesota Statutes, section 121.904, subdivision 4a, paragraph (b), clause (3), the levy recognition percentage for the levy certified according to Minnesota Statutes, section 124A.03, subdivision 2, is 37.4 percent.

Sec. 40. [REPEALER.]

Minnesota Statutes 1995 Supplement, section 124.155, subdivision 2; and Laws 1993, chapter 224, article 1, section 34, subdivision 1, are repealed. Section 32 is repealed July 1, 1999.

Sec. 41. [EFFECTIVE DATE.]

Sections 1, 2, and 39 are effective for fiscal year 1996 and thereafter. Section 19 is effective the day following final enactment. Sections 31 and 32 are effective the day following final enactment.

ARTICLE 2  
TRANSPORTATION

Section 1. Minnesota Statutes 1995 Supplement, section 120.17, subdivision 6, is amended to read:

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

(a) The school district of residence of a child shall be the district in which the child's parent resides, if living, or the child's guardian, or the district designated by the commissioner of children, families, and learning if neither parent nor guardian is living within the state.

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

(c) When a child is temporarily placed in a residential program for care and treatment, the nonresident district in which the child is placed is responsible for providing an appropriate educational program for the child and necessary transportation ~~within the district~~ while the child is attending the educational program; and shall bill the district of the child's residence for the actual cost of providing the program, as outlined in subdivision 4, except that the board, lodging, and treatment costs incurred in behalf of a child with a disability placed outside of the school district of residence by the commissioner of human services or the commissioner of corrections or their agents, for reasons other than for making provision for the child's special educational needs shall

not become the responsibility of either the district providing the instruction or the district of the child's residence.

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

Sec. 2. Minnesota Statutes 1994, section 120.17, subdivision 9, is amended to read:

Subd. 9. [SPECIAL INSTRUCTION.] No resident of a district who is eligible for special instruction and services pursuant to this section shall be denied provision of this instruction and service on a shared time basis because of attendance at a nonpublic school defined in section 123.932, subdivision 3. If a resident pupil with a disability attends a nonpublic school located within the district of residence, the district shall provide necessary transportation for that pupil within the district between the nonpublic school and the educational facility where special instruction and services are provided on a shared time basis. If a resident pupil with a disability attends a nonpublic school located in ~~another district contiguous to the district of residence~~ and if no agreement exists pursuant to section ~~124A.034~~, subdivision 1 or 1a, for the provision of special instruction and services on a shared time basis to that pupil by the district of attendance and where the special instruction and services are provided within the district of residence, the district of residence shall provide necessary transportation for that pupil between the boundary of the district of residence and the educational facility where ~~the special instruction and services are provided within the district of residence~~. The district of residence may provide necessary transportation for that pupil between its boundary and the nonpublic school attended, but the nonpublic school shall pay the cost of transportation provided outside the district boundary.

Sec. 3. Minnesota Statutes 1995 Supplement, section 120.181, is amended to read:

120.181 [PLACEMENT OF NONHANDICAPPED CHILDREN WITHOUT DISABILITIES; EDUCATION AND TRANSPORTATION.]

The responsibility for providing instruction and transportation for a pupil without a disability who has a short-term or temporary physical or emotional illness or disability, as determined by the standards of the state board, and who is temporarily placed for care and treatment for that illness or disability, shall be determined as provided in this section.

(a) The school district of residence of the pupil shall be the district in which the pupil's parent or guardian resides or the district designated by the commissioner of children, families, and learning if neither parent nor guardian is living within the state.

(b) Prior to the placement of a pupil for care and treatment, the district of residence shall be notified and provided an opportunity to participate in the placement decision. When an immediate emergency placement is necessary and time does not permit resident district participation in the placement decision, the district in which the pupil is temporarily placed, if different from the district of residence, shall notify the district of residence of the emergency placement within 15 days of the placement.

(c) When a pupil without a disability is temporarily placed for care and treatment in a day program and the pupil continues to live within the district of residence during the care and treatment, the district of residence shall provide instruction and necessary transportation for the pupil. The district may provide the instruction at a school within the district of residence, at the pupil's residence, or in the case of a placement outside of the resident district, in the district in which the day treatment program is located by paying tuition to that district. The district of placement may contract with a facility to provide instruction by teachers licensed by the state board of teaching.

(d) When a pupil without a disability is temporarily placed in a residential program for care and treatment, the district in which the pupil is placed shall provide instruction for the pupil and necessary transportation ~~within that district~~ while the pupil is receiving instruction, and in the case

of a placement outside of the district of residence, the nonresident district shall bill the district of residence for the actual cost of providing the instruction for the regular school year and for summer school, excluding transportation costs. When a pupil without a disability is temporarily placed in a residential program outside the district of residence, the administrator of the court placing the pupil shall send timely written notice of the placement to the district of residence. The district of placement may contract with a residential facility to provide instruction by teachers licensed by the state board of teaching.

(e) The district of residence shall include the pupil in its residence count of pupil units and pay tuition as provided in section 124.18 to the district providing the instruction. Transportation costs shall be paid by the district providing the transportation and the state shall pay transportation aid to that district. For purposes of computing state transportation aid, pupils governed by this subdivision shall be included in the ~~handicapped~~ disabled transportation category.

Sec. 4. Minnesota Statutes 1994, section 120.73, subdivision 1, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

(k) transportation of pupils to and from school for which aid for fiscal year 1996 is not authorized under Minnesota Statutes, section 124.223, subdivision 1, and for which levy for fiscal year 1996 is not authorized under Minnesota Statutes, section 124.226, subdivision 5, if a district charging fees for transportation of pupils establishes guidelines for that transportation to ensure that no pupil is denied transportation solely because of inability to pay;

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

(m) transportation to and from post-secondary institutions for pupils enrolled under the post-secondary enrollment options program under section 123.39, subdivision 16. Fees collected for this service must be reasonable and shall be used to reduce the cost of operating the route. Families who qualify for mileage reimbursement under section 123.3514, subdivision 8, may use their state mileage reimbursement to pay this fee. If no fee is charged, districts shall allocate costs based on the number of pupils riding the route.

Sec. 5. Minnesota Statutes 1995 Supplement, section 120.74, subdivision 1, is amended to read:

Subdivision 1. (a) A school board is not authorized to charge fees in the following areas:

- (1) textbooks, workbooks, art materials, laboratory supplies, towels;
- (2) supplies necessary for participation in any instructional course except as authorized in sections 120.73 and 120.75;
- (3) field trips which are required as a part of a basic education program or course;
- (4) graduation caps, gowns, any specific form of dress necessary for any educational program, and diplomas;
- (5) instructional costs for necessary school personnel employed in any course or educational program required for graduation;
- (6) library books required to be utilized for any educational course or program;
- (7) admission fees, dues, or fees for any activity the pupil is required to attend;
- (8) any admission or examination cost for any required educational course or program;
- (9) locker rentals;
- (10) transportation of pupils (i) for which state transportation aid for fiscal year 1996 is authorized pursuant to Minnesota Statutes, section 124.223 or (ii) for which a levy for fiscal year 1996 is authorized under Minnesota Statutes, section 124.226, subdivision 5.

(b) Notwithstanding paragraph (a), clauses (1) and (6), a school board may charge fees for textbooks, workbooks, and library books, lost or destroyed by students. The board must annually notify parents or guardians and students about its policy to charge a fee under this paragraph.

Sec. 6. Minnesota Statutes 1994, section 123.39, subdivision 8b, is amended to read:

Subd. 8b. School districts may use school district owned or contractor operated school buses to provide transportation along regular school bus routes on a space available basis for ~~senior citizens who are 62 years of age or older~~ any person, provided that this use of a bus does not interfere with the transportation of pupils to and from school or other authorized transportation of pupils. In all cases, the total additional cost of providing these services, as determined by sound accounting procedures, shall be paid by charges made against those using these services or some third-party payor. In no case shall the additional cost of this transportation be paid by the school district.

The provisions of section 65B.47, subdivision 4, shall be applicable to ~~senior citizens~~ any person being transported pursuant to this subdivision.

Sec. 7. Minnesota Statutes 1995 Supplement, section 123.7991, subdivision 2, is amended to read:

Subd. 2. [STUDENT TRAINING.] (a) Each school district shall provide public school pupils enrolled in grades kindergarten through 10 with age-appropriate school bus safety training. The training shall be results-oriented and shall consist of both classroom instruction and practical training using a school bus. Upon completing the training, a student shall be able to demonstrate knowledge and understanding of at least the following competencies and concepts:

- (1) transportation by school bus is a privilege and not a right;
- (2) district policies for student conduct and school bus safety;
- (3) appropriate conduct while on the school bus;
- (4) the danger zones surrounding a school bus;
- (5) procedures for safely boarding and leaving a school bus;
- (6) procedures for safe street or road crossing; and

(7) school bus evacuation and other emergency procedures.

(b) Each nonpublic school located within the district shall provide all nonpublic school pupils enrolled in grades kindergarten through 10 who are transported by school bus at public expense and attend school within the district's boundaries with training as required in paragraph (a). The school district shall make a bus available for the practical training if the district transports the nonpublic students. Each nonpublic school shall provide the instruction.

(c) Student school bus safety training shall commence during school bus safety week. All students enrolled in grades kindergarten through 3 who are transported by school bus and are enrolled during the first or second week of school must demonstrate achievement of the school bus safety training competencies by the end of the third week of school. All students enrolled in grades 4 through 10 who are transported by school bus and are enrolled during the first or second week of school must demonstrate achievement of the competencies by the end of the sixth week of school. Students enrolled in grades kindergarten through 10 who enroll in a school after the second week of school and are transported by school bus shall undergo school bus safety training and demonstrate achievement of the school bus safety competencies within four weeks of the first day of attendance. The pupil transportation safety director in each district must certify to the commissioner of children, families, and learning annually that all students transported by school bus within the district have satisfactorily demonstrated knowledge and understanding of the school bus safety competencies according to this section or provide an explanation for a student's failure to demonstrate the competencies. The principal or other chief administrator of each nonpublic school must certify annually to the public transportation safety director of the district in which the school is located that all of the school's students transported by school bus at public expense have received training. A school district may deny transportation to a student who fails to demonstrate the competencies, unless the student is unable to achieve the competencies due to a disability, or to a student who attends a nonpublic school that fails to provide training as required by this subdivision.

(d) A school district and a nonpublic school with students transported by school bus at public expense must, to the extent possible, provide kindergarten pupils with bus safety training before the first day of school.

(e) A school district and a nonpublic school with students transported by school bus at public expense must also provide student safety education for bicycling and pedestrian safety, for students enrolled in grades kindergarten through 5.

(f) A school district and a nonpublic school with students transported by school bus at public expense must make reasonable accommodations for the school bus, bicycle, and pedestrian safety training of pupils known to speak English as a second language and pupils with disabilities.

Sec. 8. Minnesota Statutes 1995 Supplement, section 124.223, subdivision 4, is amended to read:

Subd. 4. [PUPILS WITH DISABILITIES.] School districts ~~may~~ shall provide transportation or board and lodging of a pupil with a disability when that pupil cannot be transported on a regular school bus, the conveying of pupils with a disability between home or a respite care facility and school and within the school plant, necessary transportation of pupils with a disability from home or from school to other buildings, including centers such as developmental achievement centers, hospitals and treatment centers where special instruction or services required by sections 120.17 and 120.1701 are provided, within or outside the district where services are provided, and necessary transportation for resident pupils with a disability required by sections 120.17, subdivision 4a, and 120.1701. Transportation of pupils with a disability between home or a respite care facility and school shall not be subject to any distance requirement for children.

Sec. 9. Minnesota Statutes 1995 Supplement, section 124.225, subdivision 8l, is amended to read:

Subd. 8l. [ALTERNATIVE ATTENDANCE PROGRAMS.] A district that enrolls nonresident pupils in programs under sections 120.062, 120.075, 120.0751, 120.0752, 124C.45 to 124C.48, and 126.22, ~~may~~ shall provide authorized transportation to the pupil within the attendance area for

the school that the pupil attends. The resident district need not provide or pay for transportation between the pupil's residence and the district's border.

Sec. 10. Minnesota Statutes 1995 Supplement, section 124.225, subdivision 14, is amended to read:

Subd. 14. [SPECIAL PROGRAMS TRANSPORTATION REVENUE.] A district's special programs transportation revenue for the 1996-1997 and later school years equals the sum of:

(a) the district's actual cost in the base year for transportation services for children with disabilities under section 124.223, subdivisions 4, 5, 7, and 8, times the ratio of the district's average daily membership for the current school year to the district's average daily membership for the base year; plus

(b) the greater of zero or 80 percent of the difference between:

(1) the district's actual cost in the current year for transportation services for children with disabilities under section 124.223, subdivisions 4, 5, 7, and 8; and

(2) the amount computed in paragraph (a).

Sec. 11. Minnesota Statutes 1995 Supplement, section 124.225, subdivision 16, is amended to read:

Subd. 16. [NONPUBLIC PUPIL TRANSPORTATION REVENUE.] (a) A district's nonpublic pupil transportation revenue for the 1996-1997 and later school years for transportation services for nonpublic school pupils according to sections 123.39, 123.76 to 123.78, 124.223, and 124.226, equals the sum of the amounts computed in paragraphs (b) and (c). This revenue does not limit the obligation to transport pupils under sections 123.76 to 123.79.

(b) For regular and excess transportation according to section 124.225, subdivision 1, paragraph (c), clauses (1) and (3), an amount equal to the product of:

(1) the district's actual expenditure per pupil transported in the regular and excess transportation categories during the second preceding school year; times

(2) the number of nonpublic school pupils residing in the district who receive regular or excess transportation service or reimbursement for the current school year; times

(3) the ratio of the formula allowance pursuant to section 124A.22, subdivision 2, for the current school year to the formula allowance pursuant to section 124A.22, subdivision 2, for the second preceding school year.

(c) For nonregular transportation according to section 124.225, subdivision 1, paragraph (c), clause (2), excluding transportation services for children with disabilities under section 124.223, subdivisions 4, 5, 7, and 8, and late activity transportation according to section 124.226, subdivision 9, an amount equal to the product of:

(1) the district's actual expenditure for nonregular and late activity transportation for nonpublic school pupils during the second preceding school year; times

(2) the ratio of the formula allowance pursuant to section 124A.22, subdivision 2, for the current school year to the formula allowance pursuant to section 124A.22, subdivision 2, for the second preceding school year.

(d) Notwithstanding the amount of the formula allowance for fiscal years 1997 and 1998 in section 124A.22, subdivision 2, the commissioner shall use the amount of the formula allowance less \$300 in determining the nonpublic pupil transportation revenue in paragraphs (b) and (c) for fiscal years 1997 and 1998.

Sec. 12. Minnesota Statutes 1995 Supplement, section 124.225, subdivision 17, is amended to read:

Subd. 17. [TARGETED NEEDS TRANSPORTATION AID.] (a) A district's targeted needs transportation aid is the difference between its targeted needs transportation revenue under subdivision 13 and its targeted needs transportation ~~revenue~~ levy under section 124.226, subdivision 10.

(b) If a district does not levy the entire amount permitted, aid must be reduced in proportion to the actual amount levied.

Sec. 13. Minnesota Statutes 1995 Supplement, section 169.01, subdivision 6, is amended to read:

Subd. 6. [SCHOOL BUS.] "School bus" means a motor vehicle used to transport pupils to or from a school defined in section 120.101, or to or from school-related activities, by the school or a school district, or by someone under an agreement with the school or a school district. A school bus does not include a motor vehicle transporting children to or from school for which parents or guardians receive direct compensation from a school district, a motor coach operating under charter carrier authority, a transit bus providing services as defined in section 174.22, subdivision 7, or a vehicle otherwise qualifying as a type III vehicle under paragraph (5), when the vehicle is properly registered and insured and being driven by an employee or agent of a school district for nonscheduled transportation. A school bus may be type A, type B, type C, or type D, or type III as follows:

(1) A "type A school bus" is a conversion or body constructed upon a van-type compact truck or a front-section vehicle, with a gross vehicle weight rating of 10,000 pounds or less, designed for carrying more than ten persons.

(2) A "type B school bus" is a conversion or body constructed and installed upon a van or front-section vehicle chassis, or stripped chassis, with a gross vehicle weight rating of more than 10,000 pounds, designed for carrying more than ten persons. Part of the engine is beneath or behind the windshield and beside the driver's seat. The entrance door is behind the front wheels.

(3) A "type C school bus" is a body installed upon a flat back cowl chassis with a gross vehicle weight rating of more than 10,000 pounds, ~~designated~~ designed for carrying more than ten persons. All of the engine is in front of the windshield and ~~the~~ the entrance door is behind the front wheels.

(4) A "type D school bus" is a body installed upon a chassis, with the engine mounted in the front, midship or rear, with a gross vehicle weight rating of more than 10,000 pounds, designed for carrying more than ten persons. The engine may be behind the windshield and beside the driver's seat; it may be at the rear of the bus, behind the rear wheels, or midship between the front and rear axles. The entrance door is ahead of the front wheels.

(5) Type III school buses and type III Head Start buses are restricted to passenger cars, station wagons, vans, and buses having a maximum manufacturer's rated seating capacity of ten people, including the driver, and a gross vehicle weight rating of 10,000 pounds or less. In this subdivision, "gross vehicle weight rating" means the value specified by the manufacturer as the loaded weight of a single vehicle. A "type III school bus" and "type III Head Start bus" must not be outwardly equipped and identified as a type A, B, C, or D school bus or type A, B, C, or D Head Start bus.

Sec. 14. Minnesota Statutes 1994, section 169.4504, is amended by adding a subdivision to read:

Subd. 5. [AISLE WIDTH.] All school buses equipped with a power lift shall provide at least a 12-inch aisle leading from wheelchair position to at least one emergency door and the lift area.

Sec. 15. Minnesota Statutes 1995 Supplement, section 631.40, subdivision 1a, is amended to read:

Subd. 1a. [CERTIFIED COPY OF DISQUALIFYING OFFENSE CONVICTIONS SENT TO PUBLIC SAFETY AND SCHOOL DISTRICTS.] When a person is convicted of committing a

disqualifying offense, as defined in section 171.3215, subdivision 1, a gross misdemeanor, a fourth moving violation within a ~~three-year period~~ the previous three years, or a violation of section 169.121 or 169.129, or a similar statute or ordinance from another state, the court shall determine whether the offender is a school bus driver as defined in section 171.3215, subdivision 1, whether the offender possesses a school bus driver's endorsement on the offender's driver's license and in what school districts the offender drives a school bus. If the offender is a school bus driver or possesses a school bus driver's endorsement, the court administrator shall send a certified copy of the conviction to the department of public safety and to the school districts in which the offender drives a school bus within ten days after the conviction.

Sec. 16. Laws 1995, First Special Session, chapter 3, article 2, section 51, subdivision 7, is amended to read:

Subd. 7. [INTERDISTRICT DESEGREGATION TRANSPORTATION GRANT.] For grants according to section 50:

\$300,000	.....	1996
\$630,000	.....	1997

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

Sec. 17. Laws 1995, First Special Session, chapter 3, article 2, section 52, is amended to read:

Sec. 52. [TRANSPORTATION AIDS AND LEVIES; SUSPENSION.]

Minnesota Statutes 1994, sections 124.225, subdivisions 1, 3a, 7a, 7b, 7d, 7e, 8a, 8k, 8m, and 10; and 124.226, subdivisions 1, 2, 3a, 4, 5, 6, 7, and 8, do not apply to aids payable in fiscal years 1997 and 1998 or to levies made in 1995 and 1996 for taxes payable in 1996 and 1997.

Sec. 18. Laws 1995, First Special Session, chapter 3, article 2, section 53, is amended to read:

Sec. 53. [EFFECTIVE DATE.]

Sections 6 to 9 and 29 to 49 are effective the day following final enactment.

~~Section 12 is effective beginning with taxes payable in 1996 for fiscal year 1997.~~

Sec. 19. [EFFECTIVE DATE.]

Sections 8 to 12 are effective the day following final enactment.

### ARTICLE 3 SPECIAL PROGRAMS

Section 1. Minnesota Statutes 1995 Supplement, section 120.17, subdivision 3a, is amended to read:

Subd. 3a. [SCHOOL DISTRICT OBLIGATIONS.] Every district shall ensure that:

(1) all students with disabilities are provided the special instruction and services which are appropriate to their needs. Where the individual education plan team has determined appropriate goals and objectives based on the student's needs, including the extent to which the student can be included in the least restrictive environment, and where there are essentially equivalent and effective instruction, related services, or assistive technology devices available to meet the student's needs, cost to the school district may be among the factors considered by the team in choosing how to provide the appropriate services, instruction, or devices that are to be made part of the student's individual education plan. The student's needs and the special education instruction and services to be provided shall be agreed upon through the development of an individual education plan. The plan shall address the student's need to develop skills to live and work as independently as possible within the community. By grade 9 or age 14, the plan shall address the student's needs for transition from secondary services to post-secondary education and training, employment, community participation, recreation, and leisure and home living. The plan

must include a statement of the needed transition services, including a statement of the interagency responsibilities or linkages or both before secondary services are concluded;

(2) children with a disability under age five and their families are provided special instruction and services appropriate to the child's level of functioning and needs;

(3) children with a disability and their parents or guardians are guaranteed procedural safeguards and the right to participate in decisions involving identification, assessment including assistive technology assessment, and educational placement of children with a disability;

(4) to the maximum extent appropriate, children with a disability, including those in public or private institutions or other care facilities, are educated with children who are not disabled, and that special classes, separate schooling, or other removal of children with a disability from the regular educational environment occurs only when and to the extent that the nature or severity of the disability is such that education in regular classes with the use of supplementary services cannot be achieved satisfactorily;

(5) in accordance with recognized professional standards, testing and evaluation materials, and procedures utilized for the purposes of classification and placement of children with a disability are selected and administered so as not to be racially or culturally discriminatory; and

(6) the rights of the child are protected when the parents or guardians are not known or not available, or the child is a ward of the state.

Sec. 2. Minnesota Statutes 1995 Supplement, section 120.17, subdivision 3b, is amended to read:

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

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

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

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

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

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

(c) Parents and guardians shall have an opportunity to meet with appropriate district staff in at least one conciliation conference, mediation, or other method of alternative dispute resolution that the parties agree to, if they object to any proposal of which they are notified pursuant to clause (a). The conciliation process or other form of alternative dispute resolution shall not be used to deny or delay a parent or guardian's right to a due process hearing. If the parent or guardian refuses efforts by the district to conciliate the dispute with the school district, the requirement of an opportunity for conciliation or other alternative dispute resolution shall be deemed to be satisfied. Notwithstanding other law, in any proceeding following a conciliation conference, the school district must not offer a conciliation conference memorandum into evidence, except for any portions that describe the district's final proposed offer of service. Otherwise, with respect to forms of dispute resolution, mediation, or conciliation, Minnesota Rule of Evidence 408 applies. The department of children, families, and learning may reimburse the districts or directly pay the costs of lay advocates, not to exceed \$150 per dispute, used in conjunction with alternative dispute resolution.

(d) The commissioner shall establish a mediation process to assist parents, school districts, or other parties to resolve disputes arising out of the identification, assessment, or educational placement of children with a disability. The mediation process must be offered as an informal alternative to the due process hearing provided under clause (e), but must not be used to deny or postpone the opportunity of a parent or guardian to obtain a due process hearing.

(e) Parents, guardians, and the district shall have an opportunity to obtain an impartial due process hearing initiated and conducted by and in the school district responsible for assuring that an appropriate program is provided in accordance with state board rules, if the parent or guardian continues to object to:

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

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

(3) the proposed denial of placement of their child in a special education program or the transfer of their child from a special education program;

(4) the proposed provision or addition of special education services for their child; or

(5) the proposed denial or removal of special education services for their child.

Within five business days after the request for a hearing, or as directed by the hearing officer, the objecting party shall provide the other party with a brief written statement of particulars of the objection, the reasons for the objection, and the specific remedies sought. The other party shall provide the objecting party with a written response to the statement of objections within five business days of receipt of the statement.

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

(f) The decision of the hearing officer pursuant to clause (e) shall be rendered not more than 45 calendar days from the date of the receipt of the request for the hearing, except that hearing officers are encouraged to accelerate the timeline to 30 days for children birth through two whose needs change rapidly and require quick resolution of complaints. A hearing officer may not grant specific extensions of time beyond the 45-day period at the request of either party unless requested by either party for good cause shown on the record. The decision of the hearing officer shall be binding on all parties unless appealed to the hearing review officer commissioner is notified of an appeal by the parent, guardian, or the school board of the district where the child resides pursuant to clause (g); and also, in the case of children birth through two, by the county board.

The local decision shall:

(1) be in writing;

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

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

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

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

(g) Any local decision issued pursuant to clauses (e) and (f) may be appealed to the ~~hearing review officer~~ commissioner within 30 calendar days of receipt of that written decision, by the parent, guardian, or the school board of the district responsible for assuring that an appropriate program is provided in accordance with state board rules. The appealing party shall note the specific parts of the hearing decision being appealed.

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

The final decision shall:

(1) be in writing;

(2) include findings and conclusions; and

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

(h) The decision of the hearing review officer shall be final unless appealed by the parent or guardian or school board to the Minnesota court of appeals or federal district court as provided by federal law. ~~The State judicial review shall be in accordance with chapter 14.~~

(i) The commissioner of children, families, and learning shall select an individual who has the qualifications enumerated in this paragraph to serve as the hearing review officer:

(1) the individual must be knowledgeable and impartial;

(2) the individual must not have a personal interest in or specific involvement with the student who is a party to the hearing;

(3) the individual must not have been employed as an administrator by the district that is a party to the hearing;

(4) the individual must not have been involved in the selection of the administrators of the district that is a party to the hearing;

(5) the individual must not have a personal, economic, or professional interest in the outcome of the hearing other than the proper administration of the federal and state laws, rules, and policies;

(6) the individual must not have substantial involvement in the development of a state or local policy or procedures that are challenged in the appeal; ~~and~~

(7) the individual is not a current employee or board member of a Minnesota public school district, education district, intermediate unit or regional education agency, the department of children, families, and learning, the state board of education, ~~or a parent advocacy organization or group; and~~

(8) the individual is not a current employee or board member of a disability advocacy organization or group.

(j) In all appeals, the parent or guardian of the pupil with a disability or the district that is a party to the hearing may challenge the impartiality or competence of the proposed hearing review officer by applying to the hearing review officer.

(k) Pending the completion of proceedings pursuant to this subdivision, unless the district and the parent or guardian of the child agree otherwise, the child shall remain in the child's current educational placement and shall not be denied initial admission to school.

(l) The child's school district of residence, a resident district, and providing district shall receive notice of and may be a party to any hearings or appeals under this subdivision.

(m) A school district is not liable for harmless technical violations of this subdivision or rules implementing this subdivision if the school district can demonstrate on a case-by-case basis that the violations did not harm the student's educational progress or the parent or guardian's right to notice, participation, or due process.

(n) Within ten calendar days after appointment, the hearing officer shall schedule and hold a prehearing conference. At that conference, or later, the hearing officer may take any appropriate action that a court might take under Rule 16 of Minnesota Rules of Civil Procedure including, but not limited to, scheduling, jurisdiction, and listing witnesses including expert witnesses.

(o) A hearing officer or hearing review officer appointed under this subdivision shall be deemed to be an employee of the state under section 3.732 for the purposes of section 3.736 only.

(p) In order to be eligible for selection, hearing officers and hearing review officers shall participate in training and follow procedures as designated by the commissioner.

(q) The hearing officer may admit all evidence which possesses probative value, including hearsay, if it is the type of evidence on which reasonable, prudent persons are accustomed to rely in the conduct of their serious affairs. The hearing officer shall give effect to the rules of privilege recognized by law. Evidence which is incompetent, irrelevant, immaterial, or unduly repetitious shall be excluded.

Sec. 3. Minnesota Statutes 1994, section 120.17, is amended by adding a subdivision to read:

Subd. 19. [PARENT ADVISORY COMMITTEES.] Provisions of Minnesota Rules, part 3525.1100, regarding parent advisory committees shall apply to local school boards and cooperative boards carrying out the provisions of Minnesota Statutes, section 120.17.

Sec. 4. Minnesota Statutes 1994, section 120.1701, subdivision 10, is amended to read:

Subd. 10. [PAYMENT FOR SERVICES.] Core early intervention services shall be provided at public expense with no cost to parents. Parents shall be requested to assist in the cost of additional early intervention services by using third-party payment sources and applying for available resources. If a parent chooses not to access these resources, additional early intervention services may not be provided. Payment structures permitted under state law shall be used to pay for additional early intervention services. Parental financial responsibility shall be clearly defined in the individualized family service plan. A parent's inability to pay shall not prohibit a child from receiving needed early intervention services.

Sec. 5. Minnesota Statutes 1995 Supplement, section 120.1701, subdivision 20, is amended to read:

Subd. 20. [DUE PROCESS HEARINGS.] By July 1, 1994, the departments of children, families, and learning, health, and human services shall develop procedures for hearings. The procedures for due process hearings and appeals shall be the same as those in section 120.17, subdivision 3b. The responsibility for payment of costs and conducting due process hearings and appeals shall be allocated to the appropriate agency in accordance with section 120.1701, subdivisions 5, 13, and 16.

Sec. 6. [120.187] [DEFINITION.]

Subdivision 1. [APPLICABILITY.] For the purposes of sections 120.187 to 120.190, the following terms have the meanings given them.

Subd. 2. [ASSISTIVE TECHNOLOGY DEVICE.] "Assistive technology device" means any item, piece of equipment, software, or product system, whether acquired commercially off the shelf, modified, or customized, that is used to increase, maintain, or improve functional capabilities of children with disabilities.

Sec. 7. [120.188] [PURCHASING GUIDELINES.]

Subdivision 1. [RIGHTS OF SCHOOL DISTRICTS TO PURCHASE SCHOOL-OWNED ASSISTIVE TECHNOLOGY.] (a) When a child with a disability exits a school district and enters a new school district, the child's new school district may purchase any assistive technology devices that the child's former school district has purchased on the child's behalf. The child's new school district must notify, in writing, the child's former school district of the intent to purchase the device. The child's new school district must complete a purchase agreement according to section 4. The child's former school district must respond, in writing, to the request to purchase within 30 days.

(b) School districts may decline to sell a device if they can demonstrate the technology is a general use device or can be modified for use by other students.

Subd. 2. [LIABILITY FOR USED EQUIPMENT.] The child's former school district shall not be liable for any nonconformities in the equipment after it is purchased by the child's new school district, or for injuries arising out of the use of the assistive technology device. This section does not foreclose the child's right to bring suit against the manufacturer, assistive device lessor, or assistive device dealer for nonconformities in or injuries arising out of the use of the assistive technology device.

Subd. 3. [THIRD-PARTY PAYORS.] Nothing contained in this section shall be construed as decreasing the obligation of an insurance company or other third-party payor to provide coverage for assistive technology.

Sec. 8. [120.189] [INTERAGENCY AGREEMENT TO PURCHASE USED ASSISTIVE TECHNOLOGY DEVICES.]

Subdivision 1. [OPTION TO PURCHASE BY DEPARTMENT OF ECONOMIC SECURITY.] (a) When a child with a disability transitions into a work environment or enrolls in a post-secondary course or program, the department of economic security may purchase any assistive technology device that the child's former school district purchased on the child's behalf.

(b) The rehabilitation services division of the department of economic security may purchase an assistive technology device initially purchased by a school district for a child who is currently a recipient of rehabilitation services and who needs the identical assistive technology device as stated on the recipient's individual written rehabilitation plan. The purchase may be made not more than three months prior to the child exiting the school district.

Subd. 2. [LIABILITY FOR USED EQUIPMENT.] The department of economic security and the department of children, families, and learning shall not be liable for any nonconformities in the equipment after it is purchased by the rehabilitation services division of the department of economic security, or for injuries arising out of the use of the assistive technology device. This section does not foreclose the child's right to bring suit against the manufacturer, assistive device lessor, or assistive device dealer for nonconformities in or injuries arising out of the use of the assistive technology device.

Subd. 3. [THIRD-PARTY PAYOR.] Nothing contained in this section shall be construed as decreasing the obligation of an insurance company or other third-party payor to provide coverage for assistive technology.

Sec. 9. [120.190] [PURCHASE AGREEMENT; PRICE FORMULA.]

The commissioner shall develop guidelines for the sale of used assistive technology including a purchase agreement, a formula for establishing the sale price, and other terms and conditions of the sale.

Sec. 10. Minnesota Statutes 1994, section 123.35, is amended by adding a subdivision to read:

Subd. 9b. [SERVICES FOR INDIAN STUDENTS.] School districts may enter into agreements with Indian tribal governments for purposes of providing educational services for Indian students. Such agreements may allow for the use of any resources available to either party.

Sec. 11. Minnesota Statutes 1995 Supplement, section 124.273, subdivision 1c, is amended to read:

Subd. 1c. [ADJUSTED LEP BASE REVENUE.] (a) A district's adjusted limited English proficiency programs base revenue for fiscal year 1996 and later equals the product of:

(1) the district's base revenue for limited English proficiency programs under this section and section 124.321, times

(2) the ratio of:

(i) the greater of 20 or the number of pupils of limited English proficiency enrolled in the district during the current fiscal year to

(ii) the greater of 20 or the number of pupils of limited English proficiency enrolled in the district during ~~fiscal~~ the base year 1995.

(b) For the purposes of this section, the base year for fiscal year 1996 is fiscal year 1995. The base year for later fiscal years is the second fiscal year preceding the fiscal year for which aid shall be paid. The current year is the fiscal year for which aid shall be paid.

(c) For the purposes of this section, 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 1995 Supplement, section 124.273, subdivision 1d, is amended to read:

Subd. 1d. [LEP BASE REVENUE.] (a) The limited English proficiency programs base revenue equals the sum of the following amounts, computed using ~~fiscal~~ base year 1995 data:

(1) 68 percent of the ~~salaries paid limited English proficiency program teachers~~ salary of one full-time equivalent teacher for each 40 pupils of limited English proficiency enrolled, or 68 percent of the salary of one-half of a full-time teacher in a district with 20 or fewer pupils of limited English proficiency enrolled; and

(2) 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.

(b) 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. 13. Minnesota Statutes 1994, section 124.273, is amended by adding a subdivision to read:

Subd. 1f. [STATE TOTAL LEP REVENUE.] (a) The state total limited English proficiency programs revenue for fiscal year 1996 equals \$12,290,000. The state total limited English proficiency programs revenue for fiscal year 1997 equals \$13,674,000.

(b) The state total limited English proficiency programs revenue for later fiscal years equals:

(1) the state total limited English proficiency programs revenue for the preceding fiscal year; times

(2) the program growth factor under section 124.3201, subdivision 1; times

(3) the ratio of the state total number of pupils with limited English proficiency for the current fiscal year to the state total number of pupils with limited English proficiency for the preceding fiscal year.

Sec. 14. Minnesota Statutes 1994, section 124.273, is amended by adding a subdivision to read:

Subd 1g. [SCHOOL DISTRICT LEP REVENUE.] (a) A school district's limited English proficiency programs revenue for fiscal year 1996 and later equals the state total limited English proficiency programs revenue, minus the amount determined under paragraph (b), times the ratio of the district's adjusted limited English proficiency programs base revenue to the state total adjusted limited English proficiency programs base revenue.

(b) Notwithstanding paragraph (a), if the limited English proficiency programs base revenue for a district equals zero, the limited English proficiency programs revenue equals the sum of the following amounts, computed using current year data:

(1) 68 percent of the salary of one full-time equivalent teacher for each 40 pupils of limited English proficiency enrolled, or 68 percent of the salary of one-half of a full-time teacher in a district with 20 or fewer pupils of limited English proficiency enrolled; and

(2) 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. 15. Minnesota Statutes 1994, section 124.311, subdivision 1, is amended to read:

Subdivision 1. [INSTRUCTION IN REGULAR CLASSROOM.] A school district may receive assurance of mastery revenue to provide direct instructional services to eligible pupils in the pupils' regular classroom.

Sec. 16. Minnesota Statutes 1994, section 124.311, subdivision 4, is amended to read:

Subd. 4. [ELIGIBLE SERVICES.] Assurance of mastery revenue must be used to provide direct instructional services to an eligible pupil, or group of eligible pupils, under the following conditions:

(a) Instruction may be provided at one or more grade levels from kindergarten through grade 8. If an assessment of pupils' needs within a district demonstrates that the eligible pupils in grades kindergarten through 8 are being appropriately served, a district may serve eligible pupils in grades 9 through 12.

(b) Instruction must be provided in the usual and customary classroom of the eligible pupil.

(e) Instruction must be provided under the supervision of the eligible pupil's regular classroom teacher. Instruction may be provided by the eligible pupil's classroom teacher, by another teacher, by a team of teachers, or by an education assistant or aide. A special education teacher may provide instruction, but instruction that is provided under this section is not eligible for aid under section 124.32.

(d) (c) The instruction that is provided must differ from the initial instruction the pupil received in the regular classroom setting. The instruction may differ by presenting different curriculum than was initially presented in the regular classroom, or by presenting the same curriculum:

(1) at a different rate or in a different sequence than it was initially presented;

(2) using different teaching methods or techniques than were used initially; or

(3) using different instructional materials than were used initially.

Sec. 17. Minnesota Statutes 1994, section 124.311, subdivision 5, is amended to read:

Subd. 5. [REVENUE AMOUNT.] Assurance of mastery revenue is the sum of state and district money. The sum may equal up to \$45 for fiscal year 1991 and thereafter times the number of actual fund balance pupil units in kindergarten through grade 8 in the district. The district shall determine the amount of money it will provide and the state shall provide an equal amount of money.

Sec. 18. Minnesota Statutes 1995 Supplement, section 124.314, subdivision 2, is amended to read:

Subd. 2. [LEVY.] For fiscal year ~~1997~~ 1996 and thereafter, a school district's targeted needs levy equals the sum of its integration levy under section 124.912, subdivision 2, and that portion of its special education levy attributed to the limited English proficiency program.

Sec. 19. Minnesota Statutes 1995 Supplement, section 124.3201, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For the purposes of this section and sections 124.3202 and 124.321, the definitions in this subdivision apply.

(a) "Base year" for fiscal year 1996 and fiscal year 1997 means ~~fiscal year 1995~~ the 1994 summer program and the 1994-1995 school year. Base year for later fiscal years means the second fiscal year preceding the fiscal year for which aid will be paid.

(b) "Basic revenue" has the meaning given it in section 124A.22, subdivision 2. For the purposes of computing basic revenue pursuant to this section, each child with a disability shall be counted as prescribed in section 124.17, subdivision 1.

(c) "Essential personnel" means teachers, related services, and support services staff providing direct services to students.

(d) "Average daily membership" has the meaning given it in section 124.17.

(e) "Program growth factor" means 1.00 for fiscal year 1998 and later.

(f) "Aid percentage factor" means 60 percent for fiscal year 1996, 70 percent for fiscal year 1997, 80 percent for fiscal year 1998, 90 percent for fiscal year 1999, and 100 percent for fiscal years 2000 and later.

(g) "Levy percentage factor" means 100 minus the aid percentage factor for that year.

Sec. 20. Minnesota Statutes 1995 Supplement, section 124.3201, subdivision 2, is amended to read:

Subd. 2. [SPECIAL EDUCATION BASE REVENUE.] The special education base revenue equals the sum of the following amounts computed using base year data:

(1) 68 percent 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;

(2) for the Minnesota state academy for the deaf or the Minnesota state academy for the blind, 68 percent 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;

(3) 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, 52 percent of the difference between the amount of the contract and the basic revenue of the district for that pupil for the fraction of the school day the pupil receives services under the contract;

(4) 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, 52 percent of the amount of the contract for that pupil;

(5) for supplies and equipment purchased or rented for use in the instruction of children with a disability an amount equal to 47 percent of the sum actually expended by the district but not to exceed an average of \$47 in any one school year for each child with a disability receiving instruction; and

(6) for fiscal years 1997 and later, special education base revenue shall include amounts under clauses (1) to (5) for special education summer programs provided during the base year for that fiscal year.

Sec. 21. Minnesota Statutes 1995 Supplement, section 124.3201, is amended by adding a subdivision to read:

Subd. 2a. [SPECIAL EDUCATION TUITION REVENUE.] For fiscal year 1996 and later, a district's special education tuition revenue is equal to 50 percent of the difference between tuition costs in the base year and actual tuition costs for pupils whose individual education plans require placement in another district under section 120.17.

Sec. 22. Minnesota Statutes 1995 Supplement, section 124.3201, subdivision 3, is amended to read:

Subd. 3. [ADJUSTED SPECIAL EDUCATION BASE REVENUE.] For fiscal year 1996 and later, a district's adjusted special education base revenue equals the district's special education base revenue times the ratio of the district's average daily membership for the current school year to the district's average daily membership for the base year; plus the district's special education tuition revenue under subdivision 2a.

Sec. 23. Minnesota Statutes 1995 Supplement, section 124.3202, is amended to read:

124.3202 [SPECIAL EDUCATION SUMMER PROGRAM REVENUE.]

Subdivision 1. [SUMMER PROGRAM BASE REVENUE.] The summer program base revenue for fiscal year 1996 and fiscal year 1997 equals the sum of the following amounts computed using base year data:

(1) 68 percent of the summer program salary of each essential person employed in the district's program for children with a disability, whether the person is employed by one or more districts;

(2) for the Minnesota state academy for the deaf or the Minnesota state academy for the blind, 68 percent of the summer program salary of each instructional aide assigned to a child attending the academy, if that aide is required by the child's individual education plan;

(3) 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, 52 percent of the difference between the amount of the contract for the summer program and the basic revenue of the district for that pupil for the fraction of the school day the pupil receives services under the contract; and

(4) 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, 52 percent of the amount of the summer program contract for that pupil.

Subd. 2. [ADJUSTED SUMMER PROGRAM BASE REVENUE.] For fiscal year 1996 and later fiscal year 1997, a district's adjusted summer program base revenue equals the district's summer program base revenue times the ratio of the district's average daily membership for the current school year to the district's average daily membership for the base year.

Subd. 3. [STATE TOTAL SUMMER PROGRAM REVENUE.] The state total summer program revenue for fiscal year 1996 equals \$7,152,000. The state total summer program revenue for fiscal year 1997 equals \$3,728,500. Fiscal year 1996 summer program revenue is for 1995 summer programs. Fiscal year 1997 summer program revenue is for 1996 summer programs provided in fiscal year 1996.

Subd. 4. [SCHOOL DISTRICT SUMMER PROGRAM REVENUE.] A school district's summer program revenue for fiscal year 1996 and fiscal year 1997 equals the state total summer program revenue times the ratio of the district's adjusted summer program base revenue to the state total adjusted summer program base revenue.

Subd. 5. [SPECIAL EDUCATION SUMMER PROGRAM AID.] A school district's special education summer program aid for fiscal year 1996 and fiscal year 1997 equals the district's summer program revenue times the aid percentage factor for that year.

Subd. 6. [REVENUE ALLOCATION FROM COOPERATIVE CENTERS AND INTERMEDIATES.] For the purposes of this section and section 124.321, a special education cooperative or an intermediate district shall allocate its approved expenditures for special education programs among participating school districts. Special education summer program aid for services provided by a cooperative or intermediate district shall be paid to the participating school districts.

Sec. 24. Minnesota Statutes 1995 Supplement, section 124.323, subdivision 1, is amended to read:

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 124.3201, and 124.3202, ~~and 124.321~~; plus

(2) expenditures for tuition bills received under section 120.17 for services eligible for revenue under sections 124.3201, subdivision 2, and 124.3202, subdivision 1; minus

(3) revenue for teachers' salaries, contracted services, supplies, and equipment under sections 124.3201, and 124.3202, ~~and 124.321~~; minus

(4) tuition receipts under section 120.17 for services eligible for revenue under sections 124.3201, subdivision 2, and 124.3202, subdivision 1.

(b) "General revenue," for fiscal year 1996, means the sum of the general education revenue according to section 124A.22, subdivision 1, as adjusted according to section 124A.036, subdivision 5, plus the total referendum revenue according to section 124A.03, subdivision 1e. For fiscal years 1997 and later, "general revenue" means the sum of the general education revenue according to section 124A.22, subdivision 1, as adjusted according to section 124A.036, subdivision 5, plus the total referendum revenue minus transportation sparsity revenue minus total operating capital revenue.

Sec. 25. Minnesota Statutes 1995 Supplement, section 124.323, subdivision 2, is amended to read:

Subd. 2. [EXCESS COST REVENUE.] For 1996 and later fiscal years, a district's special education excess cost revenue equals ~~the product of:~~

(1) 70 percent of the difference between (i) (1) the district's unreimbursed special education cost ~~per actual pupil unit~~ and (ii) (2) six percent for fiscal year 1996 and 5.7 percent for fiscal year 1997 and later years of the district's general revenue ~~per actual pupil unit, times~~

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

Sec. 26. Minnesota Statutes 1995 Supplement, section 124.574, subdivision 2f, is amended to read:

Subd. 2f. [STATE TOTAL SECONDARY VOCATIONAL-DISABLED REVENUE.] The state total secondary vocational-disabled revenue for fiscal year 1996 equals \$7,645,000 \$8,697,000. The state total secondary vocational-disabled revenue for fiscal year 1997 equals \$7,960,000 \$9,017,000. The state total secondary vocational-disabled revenue for later fiscal years equals:

- (1) the state total secondary vocational-disabled revenue for the preceding fiscal year; times
- (2) the program growth factor; times
- (3) the ratio of the state total average daily membership for the current fiscal year to the state total average daily membership for the preceding fiscal year.

Sec. 27. Minnesota Statutes 1995 Supplement, section 124.574, subdivision 2g, is amended to read:

Subd. 2g. [SCHOOL DISTRICT SECONDARY VOCATIONAL-DISABLED REVENUE.] (a) A school district's secondary vocational-disabled revenue for fiscal year 1996 and later equals the state total secondary vocational-disabled revenue, minus the amount determined under paragraph (b), times the ratio of the district's adjusted secondary vocational-disabled base revenue to the state total adjusted secondary vocational-disabled base revenue.

(b) Notwithstanding paragraph (a), if the secondary vocational-disabled base revenue for a district equals zero and no district residents were enrolled in secondary vocational-disabled programs during the base year, the secondary vocational-disabled revenue equals the amount computed according to subdivision 2d using current year data.

Sec. 28. Minnesota Statutes 1994, section 124.86, subdivision 1, is amended to read:

Subdivision 1. [AUTHORIZATION.] Each year each American Indian-controlled tribal contract or grant school authorized by the United States Code, title 25, section 450f, that is located on a reservation within the state is eligible to receive tribal contract or grant school aid subject to the requirements in this subdivision.

(a) The school must plan, conduct, and administer an education program that complies with the requirements of either this chapter and chapters 120, 121, 122, 123, 124A, 124C, 125, 126, 129, and 268A or Code of Federal Regulations, title 25, sections 31.0 to 45.80.

(b) The school must comply with all other state statutes governing independent school districts or their equivalent in the Code of Federal Regulations, title 25.

(c) The state tribal contract or grant school aid must be used to supplement, and not to replace, the money for American Indian education programs provided by the federal government.

Sec. 29. Minnesota Statutes 1994, section 124.86, subdivision 2, is amended to read:

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

(1) multiplying the formula allowance under section 124A.22, subdivision 2, times (a) the difference between (a) (i) the actual pupil units as defined in section 124A.02, subdivision 15, in average daily membership, excluding section 124.17, subdivision 2f, and (b) (ii) the number of pupils for the current school year, weighted according to section 124.17, subdivision 1, receiving benefits under section 123.933 or 123.935 or for which the school is receiving reimbursement under section 126.23 plus (b) tribal contract AFDC pupil units;

(2) subtracting from the result in clause (1) the amount of money allotted to the school by the federal government through the Indian School Equalization Program of the Bureau of Indian Affairs, according to Code of Federal Regulations, title 25, part 39, subparts A to E, for the basic program as defined by section 39.11, paragraph (b), for the base rate as applied to kindergarten

through twelfth grade, excluding small school adjustments and additional weighting, but not money allotted through subparts F to L for contingency funds, school board training, student training, interim maintenance and minor repair, interim administration cost, prekindergarten, and operation and maintenance, and the amount of money that is received according to section 126.23;

(3) dividing the result in clause (2) by the actual pupil units in average daily membership, ~~excluding section 124.17, subdivision 2f clause (1);~~ and

(4) multiplying the actual pupil units, including section 124.17, subdivision 2f, in average daily membership plus tribal contract AFDC pupil units by the lesser of \$1,500 or the result in clause (3).

Sec. 30. Minnesota Statutes 1994, section 124.86, is amended by adding a subdivision to read:

Subd. 5. [TRIBAL CONTRACT AFDC PUPIL UNITS.] For purposes of this section, tribal contract AFDC pupil units means AFDC pupil units as defined under section 124A.02, subdivision 16, times the ratio of the formula allowance as defined under section 124A.22, subdivision 2, minus \$300 to the formula allowance.

Sec. 31. Minnesota Statutes 1994, section 124.86, is amended by adding a subdivision to read:

Subd. 6. [AFDC COUNT.] In computing the tribal contract AFDC pupil units for fiscal years 1997, 1998, 1999, the number of pupils enrolled from families receiving aid to families with dependent children shall be those counted on October 1 of the current school year. The average daily membership used shall be from the current school year.

Sec. 32. Minnesota Statutes 1994, section 126.531, subdivision 3, is amended to read:

Subd. 3. Each committee shall be reimbursed for expenses according to section 15.059, subdivision 6. The state board shall determine the membership terms and the duration of each committee, which expire no later than June 30, 1997.

Sec. 33. Minnesota Statutes 1995 Supplement, section 325G.203, subdivision 11, is amended to read:

Subd. 11. [NONCONFORMITY.] "Nonconformity" means a specific condition or generic defect or malfunction, or a defect or condition that substantially impairs the use, value, or safety of an assistive device, but does not include a condition or defect that is the result of abuse or unauthorized modification or alteration of the assistive device by the consumer.

For those assistive devices regulated under section 153A.19, "nonconformity" does not include a condition of the device that is the result of normal use which could be resolved through fitting adjustments, cleaning, or proper care.

Sec. 34. Laws 1995, First Special Session chapter 3, article 15, section 26, subdivision 7, is amended to read:

Subd. 7. [TARGETED NEEDS AID.] For targeted needs aid:

\$37,682,000	.....	1996
<u>\$39,591,000</u>		
\$41,597,000	.....	1997
<u>\$41,614,000</u>		

(a) Of the 1996 amount, \$945,000 is for 1995 LEP aid and ~~\$4,359,000~~ \$6,268,000 is for 1996 LEP aid. Of the 1996 amount, \$1,979,000 is for 1995 AOM aid and \$11,555,000 is for 1996 AOM aid. Of the 1996 amount, \$18,844,000 is for 1996 integration aid.

(b) Of the 1997 amount, ~~\$1,089,000~~ \$1,106,000 is for 1996 LEP aid and \$7,913,000 is for 1997 LEP aid. Of the 1997 amount, \$2,039,000 is for 1996 AOM aid and \$11,712,000 is for 1997 AOM aid. Of the 1997 amount, \$18,844,000 is for 1997 integration aid.

(c) 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 including achievement results. 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.

Sec. 35. Laws 1995, First Special Session chapter 3, article 15, section 26, subdivision 8, is amended to read:

Subd. 8. [SECONDARY VOCATIONAL; STUDENTS WITH DISABILITIES.] For aid for secondary vocational education for pupils with disabilities according to Minnesota Statutes, section 124.574:

\$4,489,000	\$5,026,000	.....	1996
\$5,424,000	\$6,147,000	.....	1997

The 1996 appropriation includes \$590,000 for 1995 and \$3,899,000 \$4,436,000 for 1996.

The 1997 appropriation includes \$688,000 \$782,000 for 1996 and \$4,736,000 \$5,365,000 for 1997.

Sec. 36. [OSSEO LEVY.]

For levies payable in 1997 only, independent school district No. 279, Osseo, may levy a tax in an amount not to exceed \$800,000. The proceeds of this levy must be used to provide instructional services for at-risk children.

Sec. 37. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF CHILDREN, FAMILIES, AND LEARNING.] The sums indicated in this section are appropriated from the general fund to the department of children, family, and learning for the fiscal year designated.

Subd. 2. [TRIBAL CONTRACT AFDC PUPIL UNITS.] For revenue for tribal contract AFDC pupil units under section 29 and section 30:

\$1,634,000	.....	<u>1997</u>
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The appropriation is 85 percent of the entitlement for fiscal year 1997.

Sec. 38. [EFFECTIVE DATE.]

Sections 11 to 14, 24 and 27 are effective July 1, 1995.

Sections 21 and 22 are effective for fiscal year 1996.

ARTICLE 4

COMMUNITY PROGRAMS

Section 1. [121.615] [MINNESOTA SCHOOL-TO-WORK STUDENT ORGANIZATION.]

Subdivision 1. [CITATION.] This section may be cited as the "Minnesota school-to-work student organization act."

Subd. 2. [CREATION OF FOUNDATION.] There is created the Minnesota school-to-work student organization foundation. The purpose of the foundation shall be to promote vocational student organizations and applied leadership opportunities in Minnesota public schools through public-private partnerships. The foundation shall be a nonprofit organization. The board of directors of the foundation and activities of the foundation are under the direction of the department of children, families, and learning.

Subd. 3. [BOARD OF DIRECTORS.] The board of directors of the school-to-work student organization foundation shall consist of:

(1) chairs or designees from the board of directors of FFA (formerly Future Farmers of America), Future Leaders of America/Future Homemakers of America, post-secondary agriculture students, home economics related occupations, Health Occupations Student Association, Distributive Education Clubs of America, Delta Upsilon Chi, Secondary Vocational Industrial Clubs of America, Post-secondary Vocational Industrial Clubs of America, Secondary Business Professionals of America, and Post-secondary Business Professionals of America;

(2) four members from business and industry appointed by the governor; and

(3) five students representing diverse vocational areas, three of whom are appointed by the commissioner of the department of children, families, and learning and two of whom are appointed by the chancellor of the Minnesota state colleges and universities with the advice of the executive councils of each vocational education student organization.

Executive directors of vocational education student organizations are ex officio, nonvoting members of the board.

Subd. 4. [FOUNDATION PROGRAMS.] The foundation shall advance applied leadership and intracurricular vocational learning experiences for students. These may include, but are not limited to:

(1) recognition programs and awards for students demonstrating excellence in applied leadership;

(2) summer programs for student leadership, career development, applied academics, and mentorship programs with business and industry;

(3) recognition programs for teachers, administrators, and others who make outstanding contributions to school-to-work programs;

(4) outreach programs to increase the involvement of urban and suburban students;

(5) organized challenges requiring cooperation and competition for secondary and post-secondary students;

(6) assistance and training to community teams to increase career awareness and empowerment of youth as community leaders; and

(7) assessment and activities 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.

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

(1) identify and plan common goals and priorities for the various school-to-work student organizations in Minnesota;

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

(3) seek and receive public and private money, grants, and in-kind services and goods from nonstate sources for the purposes of the foundation;

(4) contract with consultants on behalf of the school-to-work student organizations; and

(5) plan, implement, and expend money for awards and other forms of recognition for school-to-work student activities.

Subd. 6. [CONTRACTS.] The foundation board of directors shall review and approve foundation personnel and programming contracts.

Subd. 7. [FOUNDATION STAFF.] The commissioner of the department of children, families, and learning shall appoint the executive director of the foundation and, as necessary, other staff who shall perform duties and have responsibilities solely related to the foundation. The employees appointed are not state employees under chapter 43A, but are covered under section 3.736. The employees may participate in the state health and state insurance plans for employees in unclassified service.

The commissioner shall appoint from the office of lifework development a liaison to the foundation board.

Subd. 8. [PUBLIC FUNDING.] The commissioner of the department of children, families, and learning shall identify and secure appropriate sources of state and federal funding from various state agencies, including, but not limited to, Minnesota state colleges and universities, for the operation and development of school-to-work student organizations.

Subd. 9. [PRIVATE FUNDING.] The foundation shall seek private resources to supplement the allocated state and federal money. Individuals, businesses, and other organizations may contribute to the foundation in any manner specified by the board of directors.

Subd. 10. [REPORT.] The foundation shall submit an annual report and assessment to the office of lifework development and to the board of trustees of the Minnesota state colleges and universities.

Subd. 11. [APPROPRIATION.] There is annually appropriated to the foundation all the amounts received by the foundation pursuant to this section.

Subd. 12. [STUDENT ORGANIZATIONS.] Individual boards of vocational education student organizations shall continue their operations in accordance with section 126.151 and applicable federal law.

Sec. 2. Minnesota Statutes 1994, section 121.8355, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT.] (a) In order to qualify as a family services collaborative, a minimum of one school district, one county, and one public health entity, and one community action entity must agree in writing to provide coordinated family services and 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, public libraries, existing culturally specific community organizations, 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 sectarian organizations that provide nonsectarian services.

(b) Community-based collaboratives composed of representatives of schools, local businesses, local units of government, parents, students, clergy, health and social services providers, youth service organizations, and existing culturally specific community organizations may plan and develop services for children and youth. A community-based collaborative must agree to collaborate with county, school district, community action and public health entities. Their services may include opportunities for children or youth to improve child health and development, reduce barriers to adequate school performance, improve family functioning, provide community service, enhance self esteem, and develop general employment skills.

Sec. 3. Minnesota Statutes 1994, section 124.2711, subdivision 6, is amended to read:

Subd. 6. [RESERVE ACCOUNT.] Early childhood family education revenue, which includes aids, levies, fees, grants, and all other revenues received by the school district for early childhood family education programs, must be maintained in a reserve account within the community service fund.

Sec. 4. Minnesota Statutes 1994, section 124.2713, subdivision 10, is amended to read:

Subd. 10. [RESERVE ACCOUNT.] Community education revenue, which includes aids,

levies, fees, grants, and all other revenues received by the school district for community education programs, must be maintained in a reserve account within the community service fund.

Sec. 5. Minnesota Statutes 1994, section 124.276, is amended to read:

124.276 [~~CAREER-TEACHER FAMILY CONNECTIONS~~AID.]

Subdivision 1. [ELIGIBILITY.] A school district that has a ~~career-teacher family connections~~ program, according to sections 125.70 to 125.705, for one or more of its teachers is eligible for aid to extend the teaching contract of a ~~career~~ family connections teacher.

Subd. 2. [STATE SHARE OF EXTENDED CONTRACT.] The state shall pay two-thirds of the portion of the teaching contract, excluding fringe benefits, that is in addition to the standard teaching contract of the district. The district shall pay the remaining portion.

Subd. 3. [COMMISSIONER APPROVAL.] The commissioner may approve plans and applications for districts throughout the state for ~~career-teacher family connections~~ aid. Application procedures and deadlines shall be established by the commissioner.

Subd. 4. [USE OF AID.] ~~Career-teacher family connections~~ aid may be used only to implement a ~~career-teacher~~ family connections program.

Sec. 6. Minnesota Statutes 1994, section 124A.291, is amended to read:

124A.291 [RESERVED REVENUE FOR CERTAIN TEACHER PROGRAM.]

A district that has a ~~career-teacher family connections~~ program or a mentor-teacher program may reserve part of the basic revenue under section 124A.22, subdivision 2, for the district's share, of the portion of the teaching contract that is in addition to the standard teaching contract of the district.

Sec. 7. Minnesota Statutes 1994, section 124C.45, is amended by adding a subdivision to read:

Subd. 1a. [RESERVE REVENUE.] Each school district that is a member of an area learning center must reserve revenue in an amount equal to at least 90 percent of the basic and district average compensatory revenue generated for that district by each student attending an area learning center program under this section. The amount of reserved revenue under this subdivision may only be spent on program costs associated with the area learning center.

Sec. 8. Minnesota Statutes 1994, section 125.70, is amended to read:

125.70 [CITATION.]

Sections 125.701 to 125.705 may be cited as the "Minnesota ~~career-teacher~~ family connections act."

Sec. 9. Minnesota Statutes 1994, section 125.701, is amended to read:

125.701 [PURPOSE OF THE ~~CAREER-TEACHER FAMILY CONNECTIONS~~ ACT.]

The legislature recognizes the unique and lifelong learning and development process of all human beings. The legislature is committed to the goal of maximizing the individual growth potential of all learners. The purposes of the ~~career-teacher~~ family connections act are:

(1) to offer ~~career-teacher family connections~~ programs which emphasize learning and development based on learner outcomes;

(2) to recognize and utilize the unique skills that teachers, students, family, and the community have in both the teaching process and the learning and development process; and

(3) to provide an opportunity for maximum use of teachers, principals, and counselors.

Sec. 10. Minnesota Statutes 1994, section 125.703, is amended to read:

## 125.703 [ADVISORY COUNCIL.]

The school board of a district providing a ~~career teacher~~ family connections program shall appoint an advisory council. Council members shall be selected from the school attendance area in which programs are provided. Members of the council may include students, teachers, principals, administrators and community members. A majority of the members shall be parents with children participating in the local program. The local advisory council shall advise the school board in the development, coordination, supervision, and review of the career teacher program. The council shall meet at least two times each year with any established community education advisory council in the district. Members of the council may be members of the community education advisory council. The council shall report to the school board.

Sec. 11. Minnesota Statutes 1994, section 125.704, is amended to read:

125.704 [~~CAREER TEACHER~~ FAMILY CONNECTIONS PROGRAM COMPONENTS.]

Subdivision 1. [MANDATORY COMPONENTS.] A ~~career teacher~~ family connections program shall include:

- (1) participation by a designated individual as a career teacher, principal-teacher, or counselor teacher;
- (2) an emphasis on each individual child's unique learning and development needs;
- (3) procedures to give the career teacher a major responsibility for leadership of the instructional and noninstructional activities of each child beginning with early childhood family education;
- (4) procedures to involve parents in the learning and development experiences of their children;
- (5) procedures to implement outcome based education by focusing on the needs of the learner;
- (6) procedures to coordinate and integrate the instructional program with all community education programs;
- (7) procedures to concentrate career teacher programs at sites that provide early childhood family education and subsequent learning and development programs; and
- (8) procedures for the district to fund the program.

Subd. 2. [OPTIONAL COMPONENTS.] A ~~career teacher~~ family connections program may include:

- (1) efforts to improve curricula strategies, instructional strategies, and use of materials that respond to the individual educational needs and learning styles of each pupil in order to enable each pupil to make continuous progress and to learn at a rate appropriate to that pupil's abilities;
- (2) efforts to develop student abilities in basic skills; applied learning skills; and, when appropriate, arts; humanities; physical, natural, and social sciences; multicultural education; physical, emotional, and mental health; consumer economics; and career education;
- (3) use of community resources and communications media to pursue learning and development opportunities for pupils;
- (4) staff development for teachers and other school personnel;
- (5) improvements to the learning and development environment, including use of the community in general, to enhance the learning and development process;
- (6) cooperative efforts with other agencies involved with human services or child development and development of alternative community based learning and development experiences;
- (7) post-secondary education components for pupils who are able to accelerate or programs for

pupils with special abilities and interests who are given advanced learning and development opportunities within existing programs;

- (8) use of volunteers in the learning and development program;
- (9) flexible attendance schedules for pupils;
- (10) adult education component;
- (11) coordination with early childhood family education and community education programs;
- (12) variable student/faculty ratios for special education students to provide for special programming;
- (13) inclusion of nonpublic pupils as part of the ratio in the career teacher, principal-teacher, and counselor teacher component;
- (14) application of educational research findings;
- (15) summer learning and development experiences for students as recommended by the career teacher, principal-teacher, and counselor teacher;
- (16) use of education assistants, teacher aides, or paraprofessionals as part of the career teacher program;
- (17) establishment of alternative criteria for high school graduation; and
- (18) variable age and learning size groupings of students.

Sec. 12. Minnesota Statutes 1994, section 125.705, subdivision 1, is amended to read:

Subdivision 1. [STATUS.] A ~~career teacher~~ family connections program may include a career teacher, principal-teacher, and counselor teacher component. The career teacher, principal-teacher, and counselor teacher shall not be the exclusive teacher for students assigned to them but shall serve as a primary teacher and perform the function of developing and implementing a student's overall learning and development program. The career teacher, principal-teacher, and counselor teacher may be responsible for regular assignments as well as learning and development programs for other assigned students.

Sec. 13. Minnesota Statutes 1994, section 126.22, subdivision 1, is amended to read:

Subdivision 1. [PURPOSE.] The legislature finds that it is critical ~~for persons to obtain at least a high school education to function in today's society to provide options for children to succeed in school.~~ Therefore, the purpose of this section is to provide incentives for and encourage all Minnesota students who have experienced or are experiencing difficulty in the traditional education system to enroll in alternative programs ~~in order to complete their high school education.~~

Sec. 14. Minnesota Statutes 1995 Supplement, section 126.22, subdivision 2, is amended to read:

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

(a) ~~any pupil who is between the ages of 12 and under the age of 21, or who is an elementary pupil, and in either case, who:~~

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

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

- (3) is pregnant or is a parent; or
  - (4) has been assessed as chemically dependent; or
  - (5) has been excluded or expelled according to sections 127.26 to 127.39; or
  - (6) has been referred by a school district for enrollment in an eligible program or a program pursuant to section 126.23; or
  - (7) is a victim of physical or sexual abuse; or
  - (8) has experienced mental health problems; or
  - (9) has experienced homelessness sometime within six months before requesting a transfer to an eligible program; or
  - (10) speaks English as a second language or has limited English proficiency; or
- (b) any person who is at least 21 years of age and who:
- (1) has received fewer than 14 years of public or nonpublic education, beginning at age 5;
  - (2) has not completed the requirements for a high school diploma; and
  - (3) at the time of application, (i) is eligible for reemployment insurance benefits or has exhausted the benefits, (ii) is eligible for, or is receiving income maintenance and support services, as defined in section 268.0111, subdivision 5, or (iii) is eligible for services under the displaced homemaker program, state wage-subsidy program, or any programs under the federal Jobs Training Partnership Act or its successor.

Sec. 15. Minnesota Statutes 1995 Supplement, section 126.22, subdivision 3, is amended to read:

Subd. 3. [ELIGIBLE PROGRAMS.] (a) A pupil who is eligible according to subdivision 2 may enroll in area learning centers under sections 124C.45 to 124C.48, or according to section 121.11, subdivision 12.

(b) A pupil who is eligible according to subdivision 2 and who is between the ages of 16 and 21 may enroll in post-secondary courses under section 123.3514.

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

(d) A pupil who is eligible under subdivision 2, may enroll ~~part time, if 16 years of age or older, or full time~~ in any nonprofit, nonpublic, nonsectarian school that has contracted with the serving school district to provide educational services.

(e) A pupil who is between the ages of 16 and 21 may enroll in any adult basic education programs approved under section 124.26 and operated under the community education program contained in section 121.88.

Sec. 16. Minnesota Statutes 1995 Supplement, 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 children, families, and learning shall pay ~~88~~ 90 percent of the basic and district average compensatory revenue of the district to the eligible program and ~~42~~ ten percent of the basic and district average compensatory 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~~ computing basic and district average compensatory 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 children, families, and learning shall pay up to 100 percent of the basic and district average compensatory revenue to the eligible program if there is an agreement to that effect between the school district and the eligible program.

Sec. 17. Minnesota Statutes 1995 Supplement, section 126.23, is amended to read:

126.23 [AID FOR PRIVATE CONTRACTED ALTERNATIVE PROGRAMS.]

If a pupil enrolls in an alternative program, eligible under section 126.22, subdivision 3, paragraph (d), or subdivision 3a, operated by a private organization that has contracted with a school district to provide educational services for eligible pupils under section 126.22, subdivision 2, the district contracting with the private organization must reimburse the provider an amount equal to at least ~~88~~ 90 percent of the basic and compensatory revenue of the district for each pupil attending the program full time. For a pupil attending the program part time, basic and compensatory revenue paid to the program shall be reduced proportionately, according to the amount of time the pupil attends the program, and basic and compensatory revenue paid to the district shall be reduced accordingly. Pupils for whom a district provides reimbursement may not be counted by the district for any purpose other than ~~computation of basic~~ basic and compensatory revenue, according to section 124A.22, ~~subdivision 2~~. If payment is made to a district or program for a pupil under this section, the department of children, families, and learning shall not make a payment for the same pupil under section 126.22, subdivision 8.

Subd. 2. [RESERVE ACCOUNT.] During the term of the contract to provide educational services under subdivision 1, all state aid under subdivision 1 accrues to the account assigned to the alternative program site and is reserved for that site.

Sec. 18. Minnesota Statutes 1995 Supplement, section 128B.03, subdivision 3a, is amended to read:

Subd. 3a. [STATE REVENUES.] The state shall pay to the council for the support of the school all aids, revenues, and grants available to a school district as though the school were a school district. The aids, revenues, and grants include, but are not limited to, the following:

- (1) general education revenue, as defined in section 124A.22, subdivision 1, including at least compensatory revenue;
- (2) transportation revenue;
- (3) capital expenditure facilities revenue;
- (4) capital expenditure equipment revenue;
- (5) special education revenue;
- (6) limited English proficiency aid;
- (7) ~~career teacher~~ family connections aid;
- (8) assurance of mastery revenue;
- (9) school lunch revenue;
- (10) school milk revenue;
- (11) health and safety revenue;
- (12) Indian language and culture grants;

(13) arts planning grants; and

(14) all other aids, revenues, or grants available to a school district.

If there are eligibility requirements for an aid, revenue, or grant, the requirements shall be met in order to obtain the aid, revenue, or grant, except that a requirement to levy shall be waived. To compute the amount of aid, revenue, or grant requiring a levy, the amount of the levy shall be zero.

If a school district obtains revenue from the proceeds of a levy, the council shall be deemed to have levied and the state shall pay aid equal to the amount that would have been levied. The amount shall be approved by the commissioner of children, families, and learning.

The proceeds of any aid, grant, or revenue shall be used only as provided in the applicable statute.

Sec. 19. Laws 1995, First Special Session chapter 3, article 8, section 25, subdivision 18, is amended to read:

Subd. 18. [~~CAREER TEACHER FAMILY CONNECTIONS AID.~~] For ~~career teacher~~ family connections aid according to Minnesota Statutes, section 124.276:

\$125,000	.....	1996
\$125,000	.....	1997
<u>\$225,000</u>		

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

Notwithstanding Minnesota Statutes, 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."

Sec. 20. [ADULT BASIC EDUCATION STUDY.]

The legislature finds that increased adult literacy and access to educational opportunities are necessary for undereducated adults to more fully participate in their families and to become self-sufficient contributors to their communities and the Minnesota economy. There is a growing recognition that basic education provides the opportunity for adults to learn the skills necessary for fuller participation. To examine the current and future needs for adult basic education and the resources necessary to meet these identified needs, the adult basic education team of the department of children, families, and learning shall conduct or contract for a study of adult basic education. The study, at a minimum, must include the following:

- (1) an examination of the adult basic education formula under section 124.26;
- (2) the percentage of full adult basic education formula funding that is prorated and the impact of proration on programming and service delivery;
- (3) the hold harmless provision based on an adult basic education project's 1991-1992 state aid, and the impact on program delivery;
- (4) the distribution of funds under the adult basic education formula and how closely it matches the need for adult basic education throughout the state;
- (5) an inventory of federal, state and local projects and programs with skills and education programming for adults; and
- (6) an examination of the changing role for adult basic education with potential changes in income maintenance programs and other aspects of welfare reform.

The commissioner shall report the findings of the study to the chairs of the education

committees of the legislature by December 1, 1996. The report must contain recommendations for funding of adult basic education and for consolidation or coordination of adult education programming.

Sec. 21. [SPECIAL COMMUNITY SERVICE LEVY.]

In addition to other levies it is authorized to make each year, independent school district No. 2190, Yellow Medicine East, may levy on the property in the former school district No. 892, Clarkfield, for the costs of operating the district-owned swimming pool in Clarkfield. The proceeds of this levy must be deposited in the district's community service fund. The levy may not exceed the net actual cost operation of the pool in the previous year. Net actual costs are defined as operating costs less operating revenues.

Sec. 22. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF CHILDREN, FAMILIES, AND LEARNING.] The sums indicated in this section are appropriated from the general fund to the department of children, families, and learning for the fiscal year designated.

Subd. 2. [AID FOR CONTRACTED ALTERNATIVE PROGRAMS.] For aid for contracted alternative programs under sections 16 and 17:

<u>\$1,250,000</u>	<u>....</u>	<u>1997</u>
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The appropriation is 85 percent of the entitlement for fiscal year 1997.

Sec. 23. [EFFECTIVE DATE.]

Sections 15, 16, and 17, are effective June 30, 1996. Section 20 is effective the day following final enactment.

ARTICLE 5  
FACILITIES

Section 1. Minnesota Statutes 1994, section 124.239, subdivision 5, is amended to read:

Subd. 5. [~~LEVY~~ REVENUE AUTHORIZED.] A district, after local board approval, may ~~levy~~ is eligible for revenue for costs related to an approved facility plan as follows:

(a) if the district has indicated to the commissioner that bonds will be issued, the district may levy for the principal and interest payments on outstanding bonds issued according to subdivision 3; or

(b) if the district has indicated to the commissioner that the plan will be funded through the levy according to subdivision 5a, the district may levy receive revenue according to the schedule approved in the plan.

Sec. 2. Minnesota Statutes 1994, section 124.239, is amended by adding a subdivision to read:

Subd. 5a. [LEVY.] A district's alternative facilities levy is equal to the district's alternative facilities revenue authorized under subdivision 5 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 is levied certified by the actual pupil units in the district for the school year to which the levy is attributable; to

(2) \$4,707.50.

Sec. 3. Minnesota Statutes 1994, section 124.239, is amended by adding a subdivision to read:

Subd. 5b. [AID.] A district's alternative facilities equalization aid is equal to the difference between the district's alternative facilities revenue and its alternative facilities levy. If the district does not levy the entire amount permitted, the aid is reduced in proportion to the actual amount levied.

Sec. 4. Minnesota Statutes 1995 Supplement, section 124.243, subdivision 2, is amended to read:

Subd. 2. [CAPITAL EXPENDITURE FACILITIES REVENUE.] (a) Capital expenditure facilities previous formula revenue for a district equals \$128 times its actual pupil units for the school year.

(b) For fiscal years 1996, capital expenditure facilities revenue for a district equals \$100 times the district's maintenance cost index times its actual pupil units for the school year.

(c) Notwithstanding paragraph (b), for fiscal year 1996, the revenue for each district equals 25 percent of the amount determined in paragraph (b) plus 75 percent of the previous formula revenue.

~~(d) Notwithstanding paragraph (b), for fiscal year 1997, the revenue for each district equals 50 percent of the amount determined in paragraph (b) plus 50 percent of the previous formula revenue.~~

~~(e) Notwithstanding paragraph (b), for fiscal year 1998, the revenue for each district equals 75 percent of the amount determined in paragraph (b) plus 25 percent of the previous formula revenue.~~

(f) The revenue in paragraph (b) for a district that operates a program under section 121.585, is increased by an amount equal to \$15 times the number of actual pupil units at the site where the program is implemented.

Sec. 5. Minnesota Statutes 1995 Supplement, section 124.2445, is amended to read:

124.2445 [PURCHASE OF CERTAIN EQUIPMENT.]

The board of a school district may issue certificates of indebtedness or capital notes subject to the school district debt limits to purchase vehicles ~~other than school buses~~, computers, telephone systems, cable equipment, photcopy and office equipment, technological equipment for instruction, and other capital equipment having an expected useful life at least as long as the terms of the certificates or notes. The certificates or notes must be payable in not more than five years and must be issued on the terms and in the manner determined by the board. The certificates or notes may be issued by resolution and without the requirement for an election. The certificates or notes are general obligation bonds for purposes of section 124.755. A tax levy must be made for the payment of the principal and interest on the certificates or notes, in accordance with section 475.61, as in the case of bonds. That The sum of the tax levy levies under this section and section 124.2455, for each year must not exceed the amount of the district's total operating capital revenue for the year the initial debt service levies are certified. The district's general education levy for each year must be reduced by the amount of the tax levies for debt service certified for each year for payment of the principal and interest on the certificates or notes as required by section 475.61.

Sec. 6. Minnesota Statutes 1995 Supplement, section 124.2455, is amended to read:

124.2455 [BONDS FOR CERTAIN CAPITAL FACILITIES.]

(a) In addition to other bonding authority, with approval of the commissioner, a school district may issue general obligation bonds for certain capital projects under this section. The bonds must be used only to make capital improvements including:

~~(1) under section 124.243, subdivision 6, capital expenditure facilities 124A.22, subdivision 11, total operating capital revenue uses specified in clauses (4), (6), (7), (8), (9), and (10);~~

(2) the cost of energy modifications;

(3) improving handicap accessibility to school buildings; and

(4) bringing school buildings into compliance with life and safety codes and fire codes.

(b) Before a district issues bonds under this subdivision, it must publish notice of the intended projects, the amount of the bond issue, and the total amount of district indebtedness.

(c) A bond issue tentatively authorized by the board under this subdivision becomes finally authorized unless a petition signed by more than 15 percent of the registered voters of the school district is filed with the school board within 30 days of the board's adoption of a resolution stating the board's intention to issue bonds. The percentage is to be determined with reference to the number of registered voters in the school district on the last day before the petition is filed with the school board. The petition must call for a referendum on the question of whether to issue the bonds for the projects under this section. The approval of 50 percent plus one of those voting on the question is required to pass a referendum authorized by this section.

~~(d) The bonds may be issued in a principal amount, that when combined with interest thereon, will be paid off with not more than 50 percent of current and anticipated revenue for capital facilities under this section or a successor section for the current year plus projected revenue not greater than that of the current year for the next ten years. Once finally authorized, the district must set aside the lesser of the amount necessary to make the principal and interest payments or 50 percent of the current year's revenue for capital facilities under this section or a successor section each year in a separate account until all principal and interest on the bonds is paid. The district must annually transfer this amount from its capital fund to the debt redemption fund. The bonds must be paid off within ten years of issuance. The bonds must be issued in compliance with chapter 475, except as otherwise provided in this section. A tax levy must be made for the payment of principal and interest on the bonds in accordance with section 475.61. The sum of the tax levies under this section and section 124.2455, for each year must not exceed the amount of the district's total operating capital revenue for the year the initial debt service levies are certified. The district's general education levy for each year must be reduced by the amount of the tax levies for debt service certified for each year for payment of the principal and interest on the bonds.~~

(e) Notwithstanding paragraph (d), bonds issued by a district within the first five years following voter approval of a combination according to section 122.243, subdivision 2, bonds may be issued in a principal amount, that when combined with interest thereon, will be paid off with not more than 50 percent of current and anticipated revenue for capital facilities under this section or a successive section for the current year plus projected revenue not greater than that of the current year for the next 20 years must be paid off within 20 years of issuance. All the other provisions and limitation of paragraph (d) apply.

Sec. 7. Minnesota Statutes 1994, section 124.91, subdivision 1, is amended to read:

Subdivision 1. [TO LEASE BUILDING OR LAND.] When a district finds it economically advantageous to rent or lease a building or land for any instructional purposes or for school storage or furniture repair, and it determines that the capital expenditure facilities revenues authorized under section sections 124.243 and 124A.22, subdivision 10, are insufficient for this purpose, it may apply to the commissioner for permission to make an additional capital expenditure levy for this purpose. An application for permission to levy under this subdivision must contain financial justification for the proposed levy, the terms and conditions of the proposed lease, and a description of the space to be leased and its proposed use. The criteria for approval of applications to levy under this subdivision must include: the reasonableness of the price, the appropriateness of the space to the proposed activity, the feasibility of transporting pupils to the leased building or land, conformity of the lease to the laws and rules of the state of Minnesota, and the appropriateness of the proposed lease to the space needs and the financial condition of the district. The commissioner must not authorize a levy under this subdivision in an amount greater than the cost to the district of renting or leasing a building or land for approved purposes. The proceeds of this levy must not be used for custodial or other maintenance services. A district may not levy under this subdivision for the purpose of leasing or renting a district-owned building to itself.

Sec. 8. Minnesota Statutes 1994, section 124.91, is amended by adding a subdivision to read:

Subd. 7. [LEASE PURCHASE, INSTALLMENT BUYS.] (a) Upon application to, and approval by, the commissioner in accordance with the procedures and limits in subdivision 1, a district, as defined in this subdivision, may:

(1) purchase real or personal property under an installment contract or may lease real or personal property with an option to purchase under a lease purchase agreement, by which installment contract or lease purchase agreement title is kept by the seller or vendor or assigned to a third party as security for the purchase price, including interest, if any; and

(2) annually levy the amounts necessary to pay the district's obligations under the installment contract or lease purchase agreement.

(b) The obligation created by the installment contract or the lease purchase agreement must not be included in the calculation of net debt for purposes of section 475.53, and does not constitute debt under other law. An election is not required in connection with the execution of the installment contract or the lease purchase agreement.

(c) The proceeds of the levy authorized by this subdivision must not be used to acquire a facility to be primarily used for athletic or school administration purposes.

(d) For the purposes of this subdivision, "district" means:

(1) a school district required to have a comprehensive plan for the elimination of segregation whose plan has been determined by the commissioner to be in compliance with the state board of education rules relating to equality of educational opportunity and school desegregation; or

(2) a school district that participates in a joint program for interdistrict desegregation with a district defined in clause (1) if the facility acquired under this subdivision is to be primarily used for the joint program.

(e) Notwithstanding subdivision 1, the prohibition against a levy by a district to lease or rent a district-owned building to itself does not apply to levies otherwise authorized by this subdivision.

(f) For the purposes of this subdivision, any references in subdivision 1 to building or land shall include personal property.

Sec. 9. Minnesota Statutes 1994, section 128D.11, subdivision 3, is amended to read:

Subd. 3. [NO ELECTION.] Subject to the provisions of subdivisions 7 to 10, the school district may also by a two-thirds majority vote of all the members of its board of education and without any election by the voters of the district, issue and sell in each calendar year general obligation bonds of the district in an amount not to exceed ~~one-half of one~~ five and one-tenth per cent of the net tax capacity of the taxable property in the district (plus, for calendar years 1990 to ~~1996~~ 2003, an amount not to exceed \$7,500,000; with an additional provision that any amount of bonds so authorized for sale in a specific year and not sold can be carried forward and sold in the year immediately following); ~~provided, however, that the board shall submit the list of projects and undertakings to be financed by a proposed issue to the city planning commission as provided in subdivision 10, paragraph (b).~~

Sec. 10. Minnesota Statutes 1994, section 128D.11, subdivision 5, is amended to read:

Subd. 5. [USE OF PROCEEDS.] The proceeds of the sale of the bonds shall be used only for the rehabilitating, remodeling, expanding, and equipping of existing school buildings and for the acquisition of sites, construction, and equipping of new school buildings, and for acquisition and betterment purposes, ~~and no part of the proceeds shall be used for maintenance.~~

Sec. 11. Minnesota Statutes 1994, section 128D.11, subdivision 8, is amended to read:

Subd. 8. [NET DEBT LIMIT.] The school district shall not be subject to a net debt in excess of ~~ten~~ 102 percent of the net tax capacity of all taxable property therein.

Sec. 12. Laws 1995, First Special Session chapter 3, article 5, section 20, subdivision 5, is amended to read:

Subd. 5. [DEBT SERVICE AID.] For debt service aid according to Minnesota Statutes, section 124.95, subdivision 5:

\$30,054,000	.....	1996
\$27,370,000	<u>\$28,228,000</u>	..... 1997

The 1996 appropriation includes \$30,054,000 for 1996.

The 1997 appropriation includes \$27,370,000 \$28,228,000 for 1997. This appropriation is 85 percent of the aid entitlement for 1997.

Sec. 13. Laws 1995, First Special Session chapter 3, article 5, section 20, subdivision 6, is amended to read:

Subd. 6. [PLANNING GRANT.] For a grant to independent school district Nos. 325, Lakefield; 328, Sioux Valley; 330, Heron Lake-Okabena; 513, Brewster; and 516, Round Lake acting as a joint powers agreement:

\$40,000	.....	1996
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The grant is to cover costs associated with planning for facility needs for a combined district. The facilities must provide for the location of a significant number of noneducational student and community service programs within the facility. The joint powers group must consult with independent school district Nos. 324, Jackson; 177, Windom; and 518, Worthington, and include facility needs and availability in those districts in the group's planning.

This appropriation is available until June 30, 1997.

Sec. 14. Laws 1995, First Special Session chapter 3, article 5, section 20, subdivision 7, is amended to read:

Subd. 7. [PRESTON-FOUNTAIN; HARMONY DISTRICT.] For a grant to the new school district comprised of independent school district No. 233, Preston-Fountain, and independent school district No. 228, Harmony:

\$70,000	.....	1996
<u>\$70,000</u>	.....	<u>1997</u>

~~This grant~~ These grants must be placed in the district's debt redemption fund. The department must reduce the new district debt service levy levies by ~~this amount~~ these amounts.

Debt service equalization aid shall not be reduced as a result of the grant.

Sec. 15. [APPROVAL FOR DEBT SERVICE EQUALIZATION AID: ROYALTON.]

Notwithstanding Minnesota Statutes, section 124.95, subdivision 2, debt service levy attributable to bonds authorized at an election conducted in 1995 by independent school district No. 485, Royalton, qualifies for debt service equalization aid.

Sec. 16. [HEALTH AND SAFETY REVENUE; HIBBING.]

Notwithstanding Minnesota Statutes, section 124.83, subdivision 6, independent school district No. 701, Hibbing, that has a high school building on the National Historic Register, may use health and safety revenue for the construction of a stair tower with classroom space but only to the extent the revenue is substituted for other expenditures required under orders from the fire marshal.

Sec. 17. [NORTH BRANCH LEASE LEVY.]

Notwithstanding the instructional purposes limitation of Minnesota Statutes, section 124.91, subdivision 1, independent school district No. 138, North Branch, may apply to the commissioner of children, families, and learning to make an additional capital levy under Minnesota Statutes, section 124.91, subdivision 1, to rent or lease a building or land for administrative purposes. The levy may not exceed the amount necessary to obtain space similar in size and quality to the office space vacated for instructional purposes.

## Sec. 18. [SCHOOL DISTRICTS; BONDS.]

Subdivision 1. [AUTHORIZATION.] Independent school district No. 316, Greenway-Coleraine, may issue bonds in an aggregate principal amount not exceeding \$500,000; and independent school district No. 696, Ely, may issue bonds in an aggregate amount not exceeding \$1,000,000; and independent school district No. 701, Hibbing, may issue bonds in an aggregate principal amount not exceeding \$2,200,000; and independent school district No. 706, Virginia, may issue bonds in an aggregate principal amount not exceeding \$6,000,000; and independent school district No. 2142, St. Louis county, may issue bonds in an aggregate principal amount not exceeding \$3,000,000; and independent school district No. 2154, Eveleth-Gilbert, may issue bonds in an aggregate principal amount not exceeding \$3,600,000; and independent school district No. 2711, Mesabi East, may issue bonds in an aggregate principal amount not exceeding \$800,000 in addition to any bonds already issued or authorized, to provide funds to design, construct, equip, furnish, remodel, rehabilitate, and acquire land for school facilities and buildings, or abate, remove, and dispose of asbestos, polychlorinated biphenyls or petroleum as defined in Minnesota Statutes, section 115C.02, and make repairs related to the abatement, removal, or disposal of these substances. They may spend the proceeds of the bond sale for those purposes and any architect, engineer, and legal fees incidental to those purposes or the sale. The bond shall be authorized, issued, sold, executed, and delivered in the manner provided by Minnesota Statutes, chapter 475, including submission of the proposition to the electors under Minnesota Statutes, section 475.58. After authorization by the electors under Minnesota Statutes, section 475.58, a resolution of the board levying taxes for the payment of bonds and interest on them and pledging the proceeds of the levies for the payment of the bonds and interest on them shall be deemed to be in compliance with the provisions of Minnesota Statutes, chapter 475, with respect to the levying of taxes for their payment.

Subd. 2. [APPROPRIATION.] There is annually appropriated from the distribution of taconite production tax revenues to the taconite environmental protection fund pursuant to Minnesota Statutes, section 298.28, subdivision 11, and to the northeast Minnesota economic protection trust pursuant to section 298.28, subdivisions 9 and 11, in equal shares, an amount sufficient to pay when due 80 percent of the principal and interest on the bonds issued pursuant to subdivision 1. If the annual distribution to the northeast Minnesota economic protection trust is insufficient to pay its share after fulfilling any obligations of the trust under section 298.225 or 298.293, the deficiency shall be appropriated from the taconite environmental protection fund.

Subd. 3. [DISTRICT OBLIGATIONS.] Bonds issued under authority of this section shall be the general obligations of the school district, for which its full faith and credit and unlimited taxing powers shall be pledged. If there are any deficiencies in the amount received pursuant to subdivision 2, they shall be made good by general levies, not subject to limit, on all taxable properties in the district in accordance with Minnesota Statutes, section 475.64. If any deficiency levies are necessary, the school board may effect a temporary loan or loans on certificates of indebtedness issued in anticipation of them to meet payments of principal or interest on the bonds due or about to become due.

Subd. 4. [DISTRICT LEVY.] The school board shall by resolution levy on all property in the school district subject to the general ad valorem school tax levies, and not subject to taxation under Minnesota Statutes, sections 298.23 to 298.28, a direct annual ad valorem tax for each year of the term of the bonds in amounts that, if collected in full, will produce the amounts needed to meet when due 20 percent of the principal and interest payments on the bonds. A copy of the resolution shall be filed, and the necessary taxes shall be extended, assessed, collected, and remitted in accordance with Minnesota Statutes, section 475.61.

Subd. 5. [LEVY LIMITATIONS.] Taxes levied pursuant to this section shall be disregarded in the calculation of any other tax levies or limits on tax levies provided by other law.

Subd. 6. [BONDING LIMITATIONS.] Bonds may be issued under authority of this section notwithstanding any limitations upon the indebtedness of a district, and their amounts shall not be included in computing the indebtedness of a district for any purpose, including the issuance of subsequent bonds and the incurring of subsequent indebtedness.

Subd. 7. [TERMINATION OF APPROPRIATION.] The appropriation authorized in subdivision 2 shall terminate upon payment or maturity of the last of those bonds.

Subd. 8. [BOND ISSUE REQUIREMENT.] No bonds may be issued under this section after February 28, 1998, unless they are issued under a contract in effect on or before February 28, 1998.

Subd. 9. [LOCAL APPROVAL.] This section is effective for independent school district No. 316 the day after its governing body complies with Minnesota Statutes, section 645.021, subdivision 3; and for independent school district No. 696 the day after its governing body complies with Minnesota Statutes, section 645.021, subdivision 3; and for independent school district No. 701 the day after its governing body complies with Minnesota Statutes, section 645.021, subdivision 3; and for independent school district No. 706 the day after its governing body complies with Minnesota Statutes, section 645.021, subdivision 3; and for independent school district No. 2142 the day after its governing body complies with Minnesota Statutes, section 645.021, subdivision 3; and for independent school district No. 2154 the day after its governing body complies with Minnesota Statutes, section 645.021, subdivision 3; and for independent school district No. 2711 the day after its governing body complies with Minnesota Statutes, section 645.021, subdivision 3.

Sec. 19. [COOK COUNTY SCHOOL DISTRICT BONDS.]

Subdivision 1. [AUTHORIZATION.] Independent school district No. 166, Cook county, may issue bonds in an aggregate principal amount not exceeding \$9,240,000.

Subd. 2. [USES; PROCESS.] The bonds authorized under subdivision 1 may be issued in addition to any bonds already issued or authorized. The proceeds of the bonds shall be used to provide funds to design, construct, equip, furnish, remodel, rehabilitate, and acquire land for school facilities and buildings and to pay any architect, engineer and legal fees incidental to those purposes or to the sale of bonds. Except as permitted by this section, the bonds shall be authorized, issued, sold, executed, and delivered in the manner provided by Minnesota Statutes, chapter 475. A referendum on the question of issuing the bonds authorized under subdivision 1 is required. A resolution of the board levying taxes for the payment of the bonds and interest on them shall be deemed to be in compliance with the provisions of Minnesota Statutes, chapter 475 with respect to the levying of taxes for their payment.

Subd. 3. [APPROPRIATION.] There is annually appropriated from the distribution of taconite production tax revenues to the taconite environmental protection fund pursuant to Minnesota Statutes, section 298.28, subdivision 11, and to the northeast Minnesota economic protection trust pursuant to Minnesota Statutes, section 298.28, subdivisions 9 and 11, in equal shares, an amount sufficient to pay when due 70 percent of the principal and interest on the bonds issued under subdivision 1. If the annual distribution to the northeast Minnesota economic protection trust is insufficient to pay its share after fulfilling any obligations of the trust under Minnesota Statutes, section 298.225 or 298.293, the deficiency shall be appropriated from the taconite environmental protection fund.

Subd. 4. [DISTRICT OBLIGATIONS.] Bonds issued under authority of this section shall be the general obligations of the school district, for which its full faith and credit and unlimited taxing powers shall be pledged. If there are any deficiencies in the amount received pursuant to subdivision 3, they shall be satisfied by general levies, not subject to limit, on all taxable properties in the district in accordance with Minnesota Statutes, section 475.74. If any deficiency levies are necessary, the school board may effect a temporary loan or loans on certificates of indebtedness issued in anticipation of them to meet payments of principal or interest on the bonds due or about to become due.

Subd. 5. [DISTRICT LEVY.] The school board of the school district authorized to issue bonds under subdivision 1 shall by resolution levy on all property in the school district subject to the general ad valorem school tax levies, and not subject to taxation under Minnesota Statutes, sections 298.23 to 298.28, a direct annual ad valorem tax for each year of the term of the bonds in amounts that, if collected in full, will produce the amounts needed to meet when due 30 percent of the principal and interest payments on the bonds. A copy of the resolution shall be filed, and the

necessary taxes shall be extended, assessed, collected, and remitted in accordance with Minnesota Statutes, section 475.61.

Subd. 6. [LEVY LIMITATIONS.] Taxes levied pursuant to this section shall be disregarded in the calculation of any other tax levies or limits on tax levies provided by other law.

Subd. 7. [BONDING LIMITATIONS.] Bonds may be issued under authority of this section notwithstanding any limitations upon the indebtedness of a district, and their amounts shall not be included in computing the indebtedness of a district for any purpose, including the issuance of subsequent bonds and the incurring of subsequent indebtedness.

Subd. 8. [TERMINATION OF APPROPRIATION.] The appropriation authorized in subdivision 3 shall terminate upon payment or maturity of the last of the bonds issued under this section.

Subd. 9. [BOND ISSUE REQUIREMENT.] No bonds may be issued under this section after February 28, 1998, unless they are issued under a contract in effect on or before February 28, 1998.

Subd. 10. [LOCAL APPROVAL.] This section is effective for independent school district No. 166 the day after its governing body complies with Minnesota Statutes, section 645.021, subdivision 3.

#### Sec. 20. [COOK COUNTY CAPITAL FACILITIES BONDS.]

Notwithstanding Minnesota Statutes 1995 Supplement, section 124.2455, paragraph (d), bonds issued by independent school district No. 166, Cook county, pursuant to Minnesota Statutes, section 124.2455, must be paid off within 20 years of issuance. All the other provisions and limitations of Minnesota Statutes 1995 Supplement, section 124.2455, paragraph (d) apply.

#### Sec. 21. [APPROPRIATIONS APPLY TO REFUNDING BONDS.]

The appropriation of funds from the distribution of taconite production tax revenues to the taconite environmental protection tax fund and the northeast Minnesota economic protection fund made by Laws 1990, chapter 604, article 8, section 13, and by section 2, shall continue to apply to bonds issued under Minnesota Statutes, chapter 475, to refund bonds originally issued pursuant to those chapters.

#### Sec. 22. [TAXPAYER NOTIFICATION.]

Subdivision 1. [APPLICABILITY.] This section applies only to newly authorized bonding authority granted under section 128D.11, subdivision 3, and applies only to such bonds issued for calendar years 1997 to 2003.

Subd. 2. [NOTICE.] (a) A school board must prepare a notice of the public meeting on the proposed sale of all or any of the bonds and mail the notice to each postal patron residing within the school district. The notice must be mailed at least 15 days but not more than 30 days before the meeting. Notice of the meeting must also be posted in the administrative office of the school district and must be published twice during the 14 days before the meeting in the official newspaper of the city in which the school district is located.

(b) The notice must contain the following information:

(1) the proposed dollar amount of bonds to be issued;

(2) the dollar amount of the levy increase necessary to pay the principal and interest on the newly authorized bonds;

(3) the estimated levy amount and net tax capacity rate necessary to make the debt service payments on any existing outstanding debt;

(4) the projected effects on individual property types; and

(5) the required levy and principal and interest on all outstanding bonds in addition to the bonds proposed under clause (1).

(c) To comply with paragraph (b), clause (4), the notice must show the projected annual dollar increase and net tax capacity rate increase for a representative range of residential homestead, residential nonhomestead, apartments, and commercial-industrial properties located within each state senate district in the school district.

Subd. 3. [BOND AUTHORIZATION.] A school board may vote to issue bonds for calendar years 1997 to 2003 only after complying with the requirements of subdivision 2.

Sec. 23. [APPROPRIATION BASE.]

In determining the base budget for the 1998-1999 biennium, the department of finance shall establish a separate account for the aid entitlement under sections 1, 2, and 3.

Sec. 24. [EFFECTIVE DATE.]

(a) Sections 1, 2, and 3 are effective for revenue for fiscal year 1998 and thereafter.

(b) Sections 8 and 16 are effective the day following final enactment.

(c) Sections 12 and 15 are effective the day following final enactment and apply to debt service equalization aid payments for fiscal year 1997.

(d) Sections 9 to 11, and 22 are effective retroactive to August 1, 1994.

## ARTICLE 6

### ORGANIZATION AND COOPERATION

Section 1. Minnesota Statutes 1995 Supplement, section 124.2727, subdivision 6d, is amended to read:

Subd. 6d. [REVENUE USES.] (a) 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.

(b) A district that was a member of an intermediate school district organized pursuant to chapter 136D on July 1, 1994, 1996, must place its district cooperation revenue in a reserved account and must allocate a portion of the reserved revenue for instructional services from entities formed for cooperative services for special education programs and secondary vocational programs. The allocated amount is equal to the levy made according to section 124.2727, subdivision 6, for taxes payable in 1994 divided by the actual pupil units in the intermediate school district for fiscal year 1995 times the number of actual pupil units in the school district in 1995. The district must use 5/11 of the revenue for special education and 6/11 of the revenue for secondary vocational education. The district must demonstrate that the revenue is being used to provide the full range of special education and secondary vocational programs and services available to each child served by the intermediate. The secondary vocational programs and service must meet the requirements established in an articulation agreement developed between the state board of education and the board of trustees of the Minnesota state colleges and universities.

(c) A district that was not a member of an intermediate district organized under chapter 136D on July 1, 1994, must spend at least \$9 per pupil unit of its district cooperation revenue on secondary vocational programs.

Sec. 2. Laws 1995, First Special Session chapter 3, article 6, section 17, subdivision 2, is amended to read:

Subd. 2. [SINGLE BOARD.] The districts shall provide in the enhanced pairing agreement that the governance of the districts will be by the combined membership of the separate boards acting as a single board for purposes of quorum and passing resolutions. A quorum must include a

minimum of one member from each of the separate boards. The membership of the separate boards may be reduced to ~~five~~ four members in a manner consistent with Minnesota Statutes, section 123.33, subdivision 1. The actions reserved for the separate boards shall be ratification of amendments to the agreement, serving a notice of withdrawal from the agreement, and other items reserved for the separate boards as defined in the agreement.

Sec. 3. Laws 1995, First Special Session chapter 3, article 6, section 17, subdivision 4, is amended to read:

Subd. 4. [FINANCIAL.] (a) Fiscal operations shall be merged under the enhanced pairing agreement, and the single board shall be the fiscal agent to meet reporting requirements. The department of ~~education~~ children, families, and learning shall assign a single identification number to apply to the districts subject to the agreement. Aid entitlements and levy limitations shall be the sum of the amounts computed separately for each of the districts participating in the enhanced pairing agreement. Levies shall be made jointly except for levies under Minnesota Statutes, sections 124A.03 and 124.97 by the single board, and shall be spread on all taxable property in the districts participating in the enhanced pairing agreement. Districts subject to the agreement shall be considered a single independent school district for purposes of fees or dues assessments.

(b) Notwithstanding paragraph (a), the single board may spread a levy under Minnesota Statutes, section 124A.03, approved before January 1, 1996, and levies under sections 124.2714, 124.83, 124.84, and 124.97, on the property which is taxable in each school district participating in the enhanced pairing agreement according to the separate levy limitations computed for each district. The single board shall certify to the county auditor and the department of children, families, and learning the amount of the levy to be spread on the taxable property in each district according to this paragraph.

(c) Title to all the unattached property and all cash reserves of any district subject to the enhanced pairing agreement shall become the property of the single board unless otherwise provided for in the agreement. All legally valid and enforceable claims and contract obligations pass to the single board. For purposes of litigation, the districts subject to the agreement may be recognized singly or jointly. If the agreement dissolves or a board withdraws from the agreement, the commissioner shall divide assets and liabilities of the single board proportionately based on the weighted average daily membership over the last three years.

Sec. 4. Laws 1995, First Special Session chapter 3, article 6, section 17, is amended by adding a subdivision to read:

Subd. 4a. [REFERENDUM REVENUE.] (a) The single board shall submit the question of authorizing referendum revenue under Minnesota Statutes, section 124A.03, to the voters of the districts subject to the agreement. A majority of those voting in the affirmative on the question is sufficient to authorize the referendum revenue. The single board must certify the vote of the election.

(b) As of the effective date of the dissolution of the enhanced pairing agreement, the authorization for all referendum revenues under Minnesota Statutes, section 124A.03, previously approved by the voters of the districts subject to the agreement is canceled.

Sec. 5. Laws 1995, First Special Session chapter 3, article 6, section 17, is amended by adding a subdivision to read:

Subd. 4b. [REFERENDUM; DEBT.] The single board shall submit the question of authorizing bonded debt to the voters of the districts subject to the agreement. The question submitted shall state the total amount of funding needed from all sources. A majority of those voting in the affirmative on the question is sufficient to authorize the bonded debt. The single board must certify the vote of the election, and authorize the school boards to issue the bonds on public sale in accordance with Minnesota Statutes, chapter 475.

Sec. 6. Laws 1995, First Special Session chapter 3, article 6, section 17, is amended by adding a subdivision to read:

Subd. 4c. [DATA REPORTING.] (a) For purposes of computing aid entitlements and levy limitations for the school districts participating in the enhanced pairing agreement, the commissioner must allocate combined financial data among the participating school districts based on the number of actual pupil units in each school district in the year for which financial data are allocated.

(b) Notwithstanding paragraph (a), if requested by the single board, the commissioner may allocate financial data among participating school districts based on estimates of actual expenditures for projects or services by school district.

#### Sec. 7. [SCHOOL BOARD ELECTION.]

Notwithstanding Minnesota Statutes, section 123.335, or any language to the contrary in Minnesota Statutes, chapter 205A, the election of school board members for a newly consolidated district comprised of independent school district No. 437, Argyle, and independent school district No. 443, Stephen, shall be as follows:

(1) at the 1997 general election, the terms of four members of the transition board will expire and two school board members shall be elected for four-year terms. One member would be elected from the area of the former independent school district No. 437, Argyle, and one would be elected from the area of the former independent school district No. 443, Stephen;

(2) at the 1999 general election, the terms of six members of the transition board will expire and three school board members shall be elected for four-year terms. One member would be elected from the former independent school district No. 437, Argyle, and one would be elected from the area of the former independent school district No. 443, Stephen. One member would be elected at large for a four-year term from the newly created district;

(3) at the 2001 general election, the terms of the two school board members elected in 1997 for four-year terms will expire and two school board members shall be elected. One member would be elected from the area of the former independent school district No. 437, Argyle, and one would be elected from the area of the former independent school district No. 443, Stephen. Also at the 2001 general election, the terms of the two school board members elected in 1996 for five-year terms shall expire and one school board member shall be elected at large for a four-year term from the newly created district;

(4) at the 2003 general election and thereafter, all school board members whose terms expire would be elected at large for four years terms from the newly created district; and

(5) the transitional board shall determine which board seats will expire at each election. At the end of the transition period, the provisions of Minnesota Statutes, section 123.335 and chapter 205A shall apply. Any provisions in chapter 205A not inconsistent with the provisions of this section shall apply.

#### Sec. 8. [EFFECTIVE DATE.]

Section 3 is effective for levy calculations for taxes payable in 1996 and later. The commissioner of the department of children, families, and learning shall adjust levy calculations as necessary to be consistent with section 3.

### ARTICLE 7

#### EDUCATION EXCELLENCE

Section 1. Minnesota Statutes 1994, 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 section 123.39, subdivision 6.~~

(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 1995 Supplement, section 120.064, subdivision 9, is amended to read:

Subd. 9. [ADMISSION REQUIREMENTS.] A charter 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) residents of a specific geographic area where the percentage of the population of non-Caucasian people 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 the specific area.

A charter 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.

A charter school may not limit admission to pupils on the basis of intellectual ability, measures of achievement or aptitude, or athletic ability.

Sec. 3. Minnesota Statutes 1995 Supplement, 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 children, families, and learning 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. The department shall not make payments to a post-secondary institution for a course from which a student officially withdraws during the first 14 days of the quarter or semester or who has been absent from the post-secondary institution for the first 15 consecutive school days of the quarter or semester and is not receiving instruction in the home or hospital.

A 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 children, families, and learning shall pay to each post-secondary 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 institution at the time the enrollment information for the succeeding quarter or semester is submitted. At any time the department of children, families, and learning notifies a post-secondary institution that an overpayment has been made, the institution shall promptly remit the amount due.

Sec. 4. Minnesota Statutes 1995 Supplement, 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 children, families, and learning 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. The department shall not make payments to a post-secondary institution for a course from which a student officially withdraws during the first 14 days of the quarter or semester or who has been absent from the post-secondary institution for the first 15 consecutive school days of the quarter or semester and is not receiving instruction in the home or hospital.

A 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 children, families, and learning shall pay to each post-secondary 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 institution at the time the enrollment information for the succeeding quarter or semester is submitted. At any time the department of children, families, and learning notifies a post-secondary institution that an overpayment has been made, the 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. 5. Minnesota Statutes 1995 Supplement, section 123.39, subdivision 6, is amended to read:

Subd. 6. For the purposes of this subdivision, a "nonresident pupil" is a pupil who resides in one district, defined as the "resident district" and attends school in another district, defined as the "nonresident district."

~~If requested, a nonresident district may shall transport a nonresident pupil within its borders and may transport a nonresident pupil within the pupil's resident district. A nonresident district may not transport a nonresident pupil on a school district owned or contractor operated school bus within the pupil's resident district without the approval of the resident district under section 120.062.~~

~~The parent or guardian of a nonresident pupil attending a nonresident district under section 120.062 may submit a written request to the resident district asking that the resident district allow the nonresident district to provide transportation for the pupil within the pupil's resident district. The resident district must approve or disapprove the request, in writing, within 30 days. The parent or guardian may appeal the refusal of the resident district to the commissioner of children, families, and learning. The commissioner must act on the appeal within 30 days. If a nonresident district decides to transport a nonresident pupil within the pupil's resident district, the nonresident district must notify the pupil's resident district of its decision in writing prior to providing transportation.~~

Sec. 6. Minnesota Statutes 1995 Supplement, section 126.22, subdivision 2, is amended to read:

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

(a) any pupil who is between the ages of 12 and 21, or who is an elementary pupil, and in either case, who:

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

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

(3) is pregnant or is a parent; or

(4) has been assessed as chemically dependent; or

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

(6) has been referred by a school district for enrollment in an eligible program or a program pursuant to section 126.23; or

(7) is a victim of physical or sexual abuse; or

(8) has experienced mental health problems; or

(9) has experienced homelessness sometime within six months before requesting a transfer to an eligible program; or

(10) speaks English as a second language or has limited English proficiency; or

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

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

(2) has not completed the requirements for a high school diploma; and

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

Sec. 7. Minnesota Statutes 1995 Supplement, section 126.22, subdivision 5, is amended to read:

Subd. 5. [DISSEMINATION OF INFORMATION.] A school district shall disseminate information, developed by the department of children, families, and learning, about the high school graduation incentives program to residents in the district who are under the age of 21.

Sec. 8. Minnesota Statutes 1994, section 126.83, is amended to read:

126.83 [SECONDARY CREDIT FOR EIGHTH GRADE STUDENTS.]

A student in eighth grade who satisfactorily completes at least 120 hours of instruction in a high school course is eligible to shall receive secondary course credit and the credit shall count toward the student's graduation requirements. This section expires August 1, 1996.

Sec. 9. Minnesota Statutes 1994, section 256.736, subdivision 11, is amended to read:

Subd. 11. [CASE MANAGEMENT SERVICES.] (a) The county agency may, to the extent of available resources, enroll targeted caretakers described in subdivision 16 in case management services and for those enrolled shall:

(1) Provide an assessment as described in subdivision 10, paragraph (a), clause (14). As part of the assessment, the case manager shall inform caretakers of the screenings available through the early periodic screening, diagnosis and treatment (EPSDT) program under chapter 256B and preschool screening under chapter 123, and encourage caretakers to have their children screened. The case manager must work with the caretaker in completing this task;

(2) Develop an employability development plan as described in subdivision 10, paragraph (a), clause (15). The case manager must work with the caretaker in completing this task. For caretakers who are not literate or who have not completed high school, the first goal for the caretaker should be to complete literacy training or a general equivalency diploma. Caretakers who are literate and have completed high school shall be counseled to set realistic attainable goals, taking into account the long-term needs of both the caretaker and the caretaker's family;

(3) Coordinate services such as child care, transportation, and education assistance necessary to enable the caretaker to work toward the goals developed in clause (2). The case manager shall refer caretakers to resource and referral services, if available, and shall assist caretakers in securing appropriate child care services. When a client needs child care services in order to attend a Minnesota public or nonprofit college, university or technical college, the case manager shall contact the appropriate agency to reserve child care funds for the client. A caretaker who needs child care services in order to complete high school or a general equivalency diploma is eligible for child care under sections 256H.01 to 256H.19;

(4) Develop, execute, and monitor a contract between the county agency and the caretaker. The contract must be based upon the employability development plan described in subdivision 10, paragraph (a), clause (15), but must be a separate document. It must include: (a) specific goals of the caretaker including stated measurements of progress toward each goal, the estimated length of participation in the program, and the number of hours of participation per week; (b) educational, training, and employment activities and support services provided by the county agency, including child care; and (c) the participant's obligations and the conditions under which the county will withdraw the services provided;

The contract must be signed and dated by the case manager and participant and may include other terms as desired or needed by either party. In all cases, however, the case manager must assist the participant in reviewing and understanding the contract and must ensure that the caretaker has set forth in the contract realistic goals consistent with the ultimate goal of self-sufficiency for the caretaker's family; and

(5) Develop and refer caretakers to counseling or peer group networks for emotional support while participating in work, education, or training.

(b) In addition to the duties in paragraph (a), for minor parents and pregnant minors, the case manager shall:

(1) Ensure that the contract developed under paragraph (a), clause (4), considers all factors set forth in section 257.33, subdivision 2;

(2) Assess the housing and support systems needed by the caretaker in order to provide the dependent children with adequate parenting. The case manager shall encourage minor parents and pregnant minors who are not living with friends or relatives to live in a group home or foster care setting. If minor parents and pregnant minors are unwilling to live in a group home or foster care setting or if no group home or foster care setting is available, the case manager shall assess their need for training in parenting and independent living skills and when appropriate shall refer them to available counseling programs designed to teach needed skills; and

(3) Inform minor parents or pregnant minors of, and assist them in evaluating the appropriateness of, the high school graduation incentives program under section 126.22, including post-secondary enrollment options, and the employment-related and community-based instruction programs.

(c) A caretaker may request a conciliation conference to attempt to resolve disputes regarding the contents of a contract developed under this section or a housing and support systems assessment conducted under this section. The caretaker may request a hearing pursuant to section 256.045 to dispute the contents of a contract or assessment developed under this section. The caretaker need not request a conciliation conference in order to request a hearing pursuant to section 256.045.

Sec. 10. Laws 1995, First Special Session chapter 3, article 7, section 5, subdivision 4, is amended to read:

Subd. 4. [YEAR-ROUND SCHOOL/EXTENDED WEEK OR DAY PILOT PROGRAM GRANTS.] For year-round school/extended week or day pilot program grants:

\$1,800,000	.....	1996
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\$500,000 is for a grant to independent school district No. 624, White Bear Lake.

\$500,000 is for a grant to independent school district No. 833, South Washington county.

\$100,000 is for a grant to independent school district No. 911, Cambridge.

\$300,000 is for a grant to independent school district No. 625, St. Paul.

\$400,000 is for grants to two or more rural school districts selected by the commissioner of education.

This appropriation is available until June 30, 1997.

Sec. 11. [AFTER-SCHOOL ENRICHMENT PROGRAMS.]

Subdivision 1. [NEIGHBORHOOD DESIGNATION.] The commissioner of children, families, and learning shall designate one community collaborative in each of three qualifying neighborhoods in St. Paul, three qualifying neighborhoods in Minneapolis, and other qualifying neighborhoods outside of Minneapolis and St. Paul to plan and implement after-school enrichment programs. The commissioner shall provide technical assistance to the collaboratives, if needed, to develop a plan.

Subd. 2. [PROGRAM OUTCOMES.] The outcomes of the after-school enrichment programs shall be to:

(1) increase the number of children participating in after-school programs who live in the designated neighborhoods;

- (2) reduce the juvenile crime rate in the designated neighborhoods;
- (3) reduce the number of police calls involving juveniles during the afternoon after-school hours;
- (4) increase school attendance;
- (5) reduce the number of school suspensions;
- (6) increase the number of youth engaged in community service;
- (7) increase youth academic achievement; and
- (8) increase the skills of youth in computers, the arts, athletics, and other activities.

Subd. 3. [PLAN.] By July 1, 1996, a community collaborative, consisting of representatives of community organizations and representatives of the county, city, and school district, shall develop a plan for an after-school enrichment program for children ages nine through 13 who reside in the designated neighborhood served by the community organization. Each community collaborative developing a plan shall identify points of collaboration with other organizations and resources available to implement an after-school enrichment program. The plan shall include:

- (1) collaboration and leverage of community resources that exist and are effective;
- (2) creative outreach to the children;
- (3) collaboration of grassroots organizations;
- (4) local governments and schools acting as resources;
- (5) community control over the design of the enrichment program; and
- (6) the availability of enrichment activities for a minimum of five days per week after school with future plans to extend to seven days per week.

Subd. 4. [PLAN APPROVAL; GRANTS.] (a) A plan developed by a community collaborative under subdivision 3 shall be submitted to the commissioner of children, family, and learning. When a collaborative's plan is approved by the commissioner, the commissioner shall award a grant to the community collaborative for the implementation of the plan. The commissioner also shall award small amounts of grant money to the community organization to develop a plan.

(b) The commissioner may develop additional outcomes under subdivision 2 and plan requirements under subdivision 3.

Sec. 12. [APPROPRIATION.]

\$5,000,000 is appropriated in fiscal year 1996 to the commissioner of children, families, and learning for the purposes of section 11. Of this amount, \$4,500,000 shall be used for grants to qualifying neighborhoods in Minneapolis and St. Paul and \$500,000 shall be used for grants to qualifying neighborhoods outside of Minneapolis and St. Paul. The appropriation is available until expended. The after-school enrichment program established in section 11 shall be administered under the community crime reduction program in Minnesota Statutes, section 299A.35.

Sec. 13. [REPEALER.]

Laws 1991, chapter 265, article 4, section 27, are repealed.

Sec. 14. [EFFECTIVE DATE.]

Sections 11 and 12 are effective the day following final enactment.

ARTICLE 8

OTHER EDUCATION FUNDING PROGRAMS

Section 1. Minnesota Statutes 1995 Supplement, section 124.248, subdivision 1a, is amended to read:

Subd. 1a. [TRANSPORTATION REVENUE.] Transportation revenue shall be paid to a charter school that provides transportation services according to section 120.064, subdivision 15, ~~as though it were a school district according to this subdivision.~~ Transportation aid shall equal transportation revenue.

(a) ~~For the first two years that~~ In addition to the revenue under subdivision 1, a charter school is providing transportation services, ~~the regular transportation allowance for the charter school shall be equal to the regular transportation allowance for the school district in which the charter school is located. For the third year of transportation services and later fiscal years, the predicted base cost for the charter school shall be equal to the predicted base cost for the school district in which the charter school is located~~ shall receive general education aid for each pupil unit equal to the sum of \$170, plus the transportation sparsity allowance for the school district in which the charter school is located, plus the transportation transition allowance for the school district in which the charter school is located.

(b) For the first two years that a charter school is providing transportation services, the ~~nonregular special programs~~ transportation revenue equals the charter school's actual cost in the current school year for ~~nonregular~~ transportation services, minus the amount of regular transportation revenue attributable to FTE's in the handicapped category in the current school year for children with disabilities under section 124.223, subdivisions 4, 5, 7, and 8. For the third year of transportation services and later fiscal years, the ~~nonregular special programs~~ transportation revenue shall be computed according to section 124.225, subdivision ~~7d, paragraph (b)~~ 14.

Sec. 2. Minnesota Statutes 1995 Supplement, section 124C.498, subdivision 2, is amended to read:

Subd. 2. [APPROVAL AUTHORITY; APPLICATION FORMS.] To the extent money is available, the commissioner of children, families, and learning may approve projects from applications submitted under this section. The grant money must be used only to acquire, design, construct, remodel, furnish, equip, or improve the building or site of a magnet school facility according to contracts entered into within 15 months after the date on which a grant is awarded.

Sec. 3. Minnesota Statutes 1994, section 124C.498, subdivision 3, is amended to read:

Subd. 3. [GRANT APPLICATION PROCESS.] (a) Any group of school districts that meets the criteria required under paragraph (b)(i) may apply for a magnet school grant in an amount not to exceed \$10,000,000 for the approved ~~construction~~ costs of a magnet school facility.

(b)(i) Any group of districts that submits an application for a grant shall submit a proposal to the commissioner for review and comment under section 121.15, and the commissioner shall prepare a review and comment on the proposed magnet school facility, regardless of the amount of the capital expenditure required to acquire, design, construct, remodel, furnish, equip, or improve the facility. The commissioner must not approve an application for a magnet school grant for any facility unless the facility receives a favorable review and comment under section 121.15 and the participating districts:

(1) establish a joint powers board under section 471.59 to represent all participating districts and govern the magnet school facility;

(2) design the planned magnet school facility to meet the applicable requirements contained in Minnesota Rules, chapter 3535;

(3) submit a statement of need, including reasons why the magnet school will facilitate integration and improve learning;

(4) prepare an educational plan that includes input from both community and professional staff; and

(5) develop an education program that will improve learning opportunities for students attending the magnet school.

(ii) The districts may develop a plan that permits social service, health, and other programs serving students and community residents to be located within the magnet school facility. The commissioner shall consider this plan when preparing a review and comment on the proposed facility.

(c) When two or more districts enter into an agreement establishing a joint powers board to govern the magnet school facility, all member districts shall have the same powers.

(d) A joint powers board of participating school districts established under paragraphs (b) and (c) that intends to apply for a grant shall adopt a resolution stating the costs of the proposed project, the purpose for which the debt is to be incurred, and an estimate of the dates when the contracts for the proposed project will be completed. A copy of the resolution must accompany any application for a state grant under this section.

(e)(i) The commissioner shall examine and consider all grant applications. If the commissioner finds that any joint powers district is not a qualified grant applicant, the commissioner shall promptly notify that joint powers board. The commissioner shall make awards to no more than two qualified applicants whose applications have been on file with the commissioner more than 30 days.

(ii) A grant award is subject to verification by the joint powers board under paragraph (f). A grant award must not be made until the participating districts determine the site of the magnet school facility. If the total amount of the approved applications exceeds the amount of grant funding that is or can be made available, the commissioner shall allot the available amount equally between the approved applicant districts. The commissioner shall promptly certify to each qualified joint powers board the amount, if any, of the grant awarded to it.

(f) Each grant must be evidenced by a contract between the joint powers board and the state acting through the commissioner. The contract obligates the state to pay to the joint powers board an amount computed according to paragraph (e)(i) and a schedule, and terms and conditions acceptable to the commissioner of finance.

Sec. 4. Laws 1995, First Special Session chapter 3, article 8, section 25, subdivision 2, is amended to read:

Subd. 2. [ABATEMENT AID.] For abatement aid according to Minnesota Statutes, section 124.214:

<u>\$24,241,000</u>	<u>\$22,251,600</u>	.....	1996
<u>\$ 7,905,000</u>	<u>\$ 9,543,400</u>	.....	1997

The 1996 appropriation includes \$1,135,000 for 1995 and ~~\$23,106,000~~ \$21,116,600 for 1996.

The 1997 appropriation includes ~~\$4,077,000~~ \$3,726,400 for 1996 and ~~\$3,828,000~~ \$5,817,000 for 1997.

Sec. 5. [REFERENDUM AUTHORITY; PARK RAPIDS.]

Subdivision 1. [REVENUE.] Notwithstanding the reduction required by Minnesota Statutes, section 124A.03, subdivision 3b, the referendum revenue allowance for independent school district No. 309, Park Rapids, is \$315 per pupil unit. This referendum authorization is available for the number of years specified by the ballot question that was approved in June of 1995.

Subd. 2. [LEVY RECLASSIFICATION.] Independent school district No. 309, Park Rapids, may reclassify as payable 1996 referendum levy other payable 1996 levies. The amount reclassified may not exceed the difference between the levy authority authorized in subdivision 1 and the amount of referendum levy certified by the district for taxes payable in 1996. Any reclassified levy is not subject to the market value requirement in Minnesota Statutes, section 124A.03, subdivision 2a.

Sec. 6. [SCIMATHMN INTERCHANGE EMPLOYEES.]

Notwithstanding Minnesota Statutes, section 15.53, subdivision 2, SciMathMN may contract with a school district for a period not to exceed three consecutive years for the services of a math specialist and a science specialist to work on curriculum frameworks.

Sec. 7. [FUND TRANSFER; AITKIN.]

Notwithstanding Minnesota Statutes, sections 121.912, 121.9121, and 475.61, subdivision 4, independent school district No. 0001, Aitkin, may permanently transfer the balance in its debt redemption fund to its building construction fund without making a levy reduction.

Sec. 8. [FUND TRANSFER; ADA-BORUP.]

Notwithstanding Minnesota Statutes, sections 121.912, 121.9121, and 475.61, subdivision 4, the Ada-Borup school district may permanently transfer the balance in its debt redemption fund to its building construction fund without making a levy reduction.

Sec. 9. [FUND TRANSFER; CHISAGO LAKES.]

Notwithstanding Minnesota Statutes, sections 121.911, subdivision 4, 121.912, and 475.61, subdivision 4, independent school district No. 2144, Chisago Lakes, may permanently transfer up to \$250,000 from the debt redemption fund to the capital expenditure fund for facility and technology improvements.

Sec. 10. [FUND TRANSFER; LYLE.]

Notwithstanding Minnesota Statutes, sections 121.912, 121.9121, and 475.61, subdivision 4, independent school district No. 497, Lyle, may permanently transfer the balance in its early childhood family education account to its capital expenditure fund for expanding the district's technology services.

Sec. 11. [FUND TRANSFER; NEVIS.]

Notwithstanding Minnesota Statutes, sections 121.912 and 121.9121, on June 30, 1996, independent school district No. 308, Nevis, may permanently transfer up to \$100,000 from the bus purchase account in its transportation fund to its capital expenditure fund without making a levy reduction.

Sec. 12. [FUND TRANSFER; WHITE BEAR LAKE.]

Notwithstanding Minnesota Statutes, sections 121.912, 121.9121, and 123.36, subdivision 13, independent school district No. 624, White Bear Lake, may deposit the proceeds from a sale of property into the capital expenditure fund of the district without making a levy reduction.

Sec. 13. [INSTRUCTIONAL DAY CLARIFICATION.]

Notwithstanding anything in Minnesota Statutes, section 124.19 to the contrary, February 2, 1996, shall be considered an instructional day for all purposes of school district operations.

Sec. 14. [APPROPRIATION.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] The sum indicated in this section is appropriated from the general fund to the commissioner of education for the fiscal year designated.

Subd. 2. [MONTEVIDEO GRANT.] For a grant to independent school district No. 129, Montevideo, for the unreimbursed costs of an adult farm management program:

<u>\$100,000</u>	.....	<u>1996</u>
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Subd. 3. [MULTICULTURAL CONTINUING EDUCATION GRANT.] For a grant to independent school district No. 38, Red Lake, for continuation of a multicultural continuing education pilot project for teachers:

<u>\$69,000</u>	.....	<u>1997</u>
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The district must match this sum with staff development revenue under Minnesota Statutes, section 124A.29.

Subd. 4. [NETT LAKE COMMUNITY CENTER.] For a grant to independent school district No. 707, Nett Lake, for maintenance replacement funds to cover delayed lease payments for the collaborative community center.

\$74,000                      .....                      1997

Sec. 15. [EFFECTIVE DATE.]

Section 5 is effective the day following final enactment and applies for revenue for 1996-1997 and later school years.

Section 6 is effective July 1, 1996.

Sections 11 and 14 are effective the day following final enactment.

## ARTICLE 9

### MISCELLANEOUS

Section 1. Minnesota Statutes 1995 Supplement, section 121.917, subdivision 4, is amended to read:

Subd. 4. (1) ~~If the net negative undesignated unappropriated operating fund balance in all the funds of a school district, other than statutory operating debt pursuant to section 121.914, capital expenditure, building construction, debt service, trust and agency, and post-secondary vocational technical education funds as defined in section 124A.02, subdivision 25, calculated in accordance with the uniform financial accounting and reporting standards for Minnesota school districts, as of June 30 each year, is more than 2-1/2 percent of the year's expenditure amount, the district shall, prior to September 15 January 31 of the next fiscal year, submit a special operating plan to reduce the district's deficit expenditures to the commissioner of children, families, and learning for approval. The commissioner may also require the district to provide evidence that the district meets and will continue to meet all of the curriculum requirements of the state board.~~

Notwithstanding any other law to the contrary, a district submitting a special operating plan to the commissioner under this clause which is disapproved by the commissioner shall not receive any aid pursuant to chapters 124 and 124A until a special operating plan of the district is so approved.

(2) A district shall receive aids pending the approval of its special operating plan under clause (1). A district which complies with its approved operating plan shall receive aids as long as the district continues to comply with the approved operating plan.

Sec. 2. Minnesota Statutes 1994, section 123.932, subdivision 1b, is amended to read:

Subd. 1b. "Textbook" means any book or book substitute which a pupil uses as a text or text substitute in a particular class or program in the school regularly attended and a copy of which is expected to be available for the individual use of each pupil in this class or program, which book or book substitute or text or text substitute shall be limited to books, workbooks, or manuals, whether bound or in loose-leaf form, intended for use as a principal source of study material for a given class or a group of students. The term includes only such secular, neutral and nonideological textbooks as are available ~~and are,~~ used by, or of benefit to Minnesota public school pupils.

Sec. 3. Minnesota Statutes 1994, section 123.932, subdivision 1c, is amended to read:

Subd. 1c. "Standardized tests" means standardized tests and scoring services which are provided by commercial publishing organizations or the state and which are in use in the public schools of Minnesota to measure the progress of pupils in secular subjects.

Sec. 4. Minnesota Statutes 1994, section 123.932, subdivision 1e, is amended to read:

Subd. 1e. "Individualized instructional or cooperative learning materials" means educational materials which:

- (a) Are designed primarily for individual pupil use or use by pupils in a cooperative learning group in a particular class or program in the school the pupil regularly attends;
- (b) Are secular, neutral, nonideological and not capable of diversion for religious use; and
- (c) Are available ~~and are,~~ used by, or of benefit to Minnesota public school pupils.

Subject to the requirements in clauses (a), (b) and (c), "individualized instructional or cooperative learning materials" include, but are not limited to, the following if they do not fall within the definition of "textbook" in subdivision 1b: published materials; periodicals; documents; pamphlets; photographs; reproductions; pictorial or graphic works; ~~film strips; prepared slides;~~ prerecorded video programs; prerecorded tapes, cassettes and other sound recordings; manipulative materials; desk charts; games; study prints and pictures; desk maps; models; learning kits; blocks or cubes; flash cards; individualized multimedia systems; prepared instructional computer software programs; ~~and prerecorded film cartridges~~ choral and band sheet music; and CD Rom.

"Individualized instructional or cooperative learning materials" do not include ~~the following: chemicals; wall maps; wall charts; pencils, pens or crayons; notebooks; blackboards; chalk and erasers; duplicating fluids; paper; 16 mm films; unexposed films; blank tapes, cassettes or videotape; and instructional equipment, instructional hardware, or ordinary daily consumable classroom supplies.~~

Sec. 5. Minnesota Statutes 1994, section 123.932, subdivision 11, is amended to read:

Subd. 11. "Health services" means physician, dental, nursing or optometric services ~~provided and health supplies brought to the site by the health professional for pupil usage to pupils in the field of physical or mental health; provided the term does not include direct educational instruction, services which are required pursuant to sections 120.17 and 120.1701, or services which are eligible to receive special education aid pursuant to section 124.32.~~

Sec. 6. Minnesota Statutes 1994, section 123.933, as amended by Laws 1995, First Special Session chapter 3, article 16, section 13, is amended to read:

123.933 [TEXTBOOKS, INDIVIDUAL INSTRUCTION OR COOPERATIVE LEARNING MATERIAL, STANDARD TESTS.]

Subdivision 1. [PROVISION.] The state board of education shall promulgate rules under the provisions of chapter 14 requiring that in each school year, based upon formal requests by or on behalf of nonpublic school pupils in a nonpublic school, the local districts or intermediary service areas shall purchase or otherwise acquire textbooks, individualized instructional or cooperative learning materials and standardized tests and loan or provide them for use by children enrolled in that nonpublic school. These textbooks, individualized instructional or cooperative learning materials and standardized tests shall be loaned or provided free to the children for the school year for which requested. The loan or provision of the textbooks, individualized instructional or cooperative learning materials and standardized tests shall be subject to rules prescribed by the state board of education.

Subd. 2. [TITLE.] The title to textbooks, individualized instructional or cooperative learning materials and standardized testing materials shall remain in the servicing school district or intermediary service area, and possession or custody may be granted or charged to administrators of the nonpublic school attended by the nonpublic school pupil or pupils to whom the textbooks, individualized instructional or cooperative learning materials or standardized tests are loaned or provided.

Subd. 3. [~~COST OF TEXTBOOKS; LIMITATION.~~] (a) The cost per pupil of the textbooks, individualized instructional or cooperative learning materials and standardized tests provided for in this section for each school year shall not exceed the statewide average expenditure per pupil, adjusted pursuant to clause (b), by the Minnesota public elementary and secondary schools for textbooks, individualized instructional materials and standardized tests as computed and established by the department of children, families, and learning by March 1 of the preceding school year from the most recent public school year data then available.

(b) The cost computed in clause (a) shall be increased by an inflation adjustment equal to the percent of increase in the formula allowance, pursuant to section 124A.22, subdivision 2, from the second preceding school year to the current school year.

(c) The commissioner shall allot to the school districts or intermediary service areas the total cost for each school year of providing or loaning the textbooks, individualized instructional or cooperative learning materials and standardized tests for the pupils in each nonpublic school. The allotment shall not exceed the product of the statewide average expenditure per pupil, according to clause (a), adjusted pursuant to clause (b), multiplied by the number of nonpublic school pupils who make requests pursuant to this section and who are enrolled as of September 15 of the current school year.

Sec. 7. Minnesota Statutes 1994, section 123.935, subdivision 2, is amended to read:

Subd. 2. Health services may be provided to nonpublic school pupils pursuant to this section at a public school, a neutral site, the nonpublic school or any other suitable location. Guidance and counseling services may be provided to nonpublic school pupils pursuant to this section only at a public school or a neutral site. District or intermediary service area personnel and representatives of the nonpublic school pupils receiving pupil support services shall hold an annual consultation regarding the type of services, provider of services, and the location of the provision of these services. The district board or intermediary service area governing board shall make the final decision on the location of the provision of these services.

Sec. 8. Minnesota Statutes 1994, section 123.935, subdivision 7, is amended to read:

Subd. 7. [NONPUBLIC EDUCATION COUNCIL.] (a) The commissioner shall appoint a 15-member council on nonpublic education. The 15 members shall represent various areas of the state, represent various methods of providing nonpublic education, and shall be knowledgeable about nonpublic education. The compensation, removal of members, filling of vacancies, and terms are governed by section 15.0575. The council shall not expire. The council shall advise the commissioner and the state board on issues affecting nonpublic school matters under this section education and nonpublic schools. The council may recognize educational accrediting agencies, for the sole purpose of sections 120.101, 120.102, and 120.103. ~~When requested by the commissioner or the state board, the council may submit its advice about other nonpublic school matters.~~

(b) A parent or guardian of a nonpublic school pupil or a nonpublic school may file a complaint about services provided under sections 123.931 to 123.937 with the nonpublic education council. The council may review the complaint and make a recommendation for resolution to the commissioner.

Sec. 9. Minnesota Statutes 1995 Supplement, section 124.248, subdivision 3, is amended to read:

Subd. 3. [SPECIAL EDUCATION AND LIMITED ENGLISH PROFICIENCY AID.] Special education aid shall be paid to a charter school according to ~~section 124.32~~ sections 124.3201 and 124.3202 as though it were a school district. The charter school may charge tuition to the district of residence as provided in section 120.17, subdivision 4. Limited English proficiency programs aid shall be paid to a charter school according to section 124.273 as though it were a school district. The charter school shall allocate its special education levy equalization revenue to the resident districts of the pupils attending the charter school as though it were a cooperative, as provided in ~~section 124.321, subdivision 2, paragraph (a), clauses (1) and (3).~~ The districts of residence shall levy as though they were participating in a cooperative, as provided in section 124.321, subdivision 3.

Sec. 10. Minnesota Statutes 1994, section 124A.02, subdivision 25, is amended to read:

Subd. 25. [NET UNAPPROPRIATED OPERATING FUND BALANCE.] "Net unappropriated operating fund balance" means the sum of the fund balances in the general, transportation, food service, and community service funds minus the balances reserved for statutory operating debt reduction, bus purchase, severance pay, taconite, reemployment insurance, maintenance levy reduction, operating capital, and encumbrances, computed as of June 30 each year.

Sec. 11. Minnesota Statutes 1995 Supplement, section 124A.22, subdivision 2a, is amended to read:

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

(1) "Public employer" means:

(i) a school district; and

(ii) a public employer, as defined by section 179A.03, subdivision 15, other than a school district that (i) negotiates a contract under chapter 179A with teachers, and (ii) is established by, receives state money, or levies under chapters 120 to 129, or 136D, or 268A.

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

(b) Notwithstanding any law to the contrary, a public employer and the exclusive representative of the teachers shall both sign a collective bargaining agreement on or before January 15 of an even-numbered calendar year. If a collective bargaining agreement is not signed by that date, state aid paid to the public employer for that fiscal year shall be reduced. However, state aid shall not be reduced if:

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

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

(c)(1) For a district that reorganizes according to section 122.22, 122.23, or 122.241 to 122.248 effective July 1 of an odd-numbered year, state aid shall not be reduced according to this subdivision if the school board and the exclusive representative of the teachers both sign a collective bargaining agreement on or before the March 15 following the effective date of reorganization.

(2) For a district that jointly negotiates a contract prior to the effective date of reorganization under section 122.22, 122.23, or 122.241 to 122.248 that, for the first time, includes teachers in all districts to be reorganized, state aid shall not be reduced according to this subdivision if the school board and the exclusive representative of the teachers sign a collective bargaining agreement on or before the March 15 following the expiration of the teacher contracts in each district involved in the joint negotiation.

(3) Only one extension of the contract deadline is available to a district under this paragraph.

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

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

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

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

(e) Reductions from aid to school districts and public employers other than school districts shall be returned to the general fund.

Sec. 12. Minnesota Statutes 1994, 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 granted an initial teaching license to provide direct instruction to pupils in prekindergarten, elementary, secondary, or special education programs. The board shall require colleges and universities offering a board approved teacher preparation program to provide remedial assistance that includes a formal diagnostic component to persons enrolled in their institution who did not achieve a qualifying score on the skills examination, including those for whom English is a second language. The colleges and universities must provide assistance in the specific academic areas of deficiency in which the person did not achieve a qualifying score. School districts must provide similar, appropriate, and timely remedial assistance that includes a formal diagnostic component and mentoring to those persons employed by the district who completed their teacher education program outside the state of Minnesota, received a one-year license to teach in Minnesota and did not achieve a qualifying score on the skills examination, including those persons for whom English is a second language.

(c) A person who has completed an approved teacher preparation program and obtained a one-year license to teach, but has not successfully completed the skills examination, may renew the one-year license for two additional one-year periods. Each renewal of the one-year license is contingent upon the licensee:

(1) providing evidence of participating in an approved remedial assistance program provided by a school district or post-secondary institution that includes a formal diagnostic component in the specific areas in which the licensee did not obtain qualifying scores; and

(2) attempting to successfully complete the skills examination during the period of each one-year license.

(d) The board of teaching shall grant continuing licenses only to those persons who have met board criteria for granting a continuing license, which includes successfully completing the skills examination in reading, writing, and mathematics, or demonstrate skill proficiency under paragraph (f).

(e) All colleges and universities approved by the board of teaching to prepare persons for teacher licensure shall include in their teacher preparation programs a common core of teaching knowledge and skills to be acquired by all persons recommended for teacher licensure. This common core shall meet the standards developed by the interstate new teacher assessment and support consortium in its 1992 "model standards for beginning teacher licensing and development." Amendments to standards adopted under this paragraph are covered by chapter 14.

(f) If a person has renewed a one-year provisional license under paragraphs (c)(1) and (c)(2) and then attempts but fails to achieve qualifying scores on the required skills examination, the person may seek from the employing school district an alternative process for demonstrating skill proficiency in reading, writing and mathematics. If the employing school district verifies that the person possesses and has demonstrated the required proficiency in the skills of reading, writing and mathematics under this section, the board shall waive the examination.

(g) If a person completes an approved teacher preparation program, does not achieve qualifying scores on the required skills examinations after three attempts, and completes the assistance program required under paragraph (b), the person may seek from the institution recommending the candidate for teacher licensure an alternative process for demonstrating skill proficiency in reading, writing and mathematics. If the recommending institution verifies that the candidate possesses and has demonstrated the required proficiency in the skills of reading, writing and mathematics under this section, the board shall waive the examination.

Sec. 13. Minnesota Statutes 1994, section 125.05, is amended by adding a subdivision to read:

Subd. 9. [TRANSITIONAL LICENSES.] The board of teaching may issue transitional teacher licenses under the licensure rules that were in place on July 31, 1996. The board may issue these transitional licenses until July 31, 2000. Once the board has established licensing standards that are outcome-based and clearly related to the results-oriented graduation rule, the board shall review the status of the transitional licenses to determine whether the teachers licensed with transitional licenses must meet the new licensure requirements and reapply through the board for a new teacher license.

Sec. 14. [125.192] [TEACHER LICENSURE.]

Teachers licensed in the education of blind and visually impaired students must demonstrate competence in reading and writing Braille. The board of teaching, at such time as a valid and reliable test is available, shall adopt a rule to assess these competencies that is consistent with the standards of the National Library Services for the Blind and Physically Handicapped.

Sec. 15. Minnesota Statutes 1994, section 128D.11, subdivision 10, is amended to read:

Subd. 10. [CITY PLANNING COMMISSION APPROVAL; EXCEPTIONS.] (a) No election shall be held on a proposed issue of bonds unless the board has submitted to the city planning commission a statement of the location and general description, so far as then known, of any project proposed to be constructed or acquired from the proceeds of such bonds with a request for preliminary approval of each such project as being in accordance with the comprehensive plan of the city of Minneapolis. The commission may state its preliminary approval or disapproval of the projects included in such statement within 60 days after receipt thereof, and failure so to do shall be deemed to signify preliminary approval of such projects. In the event the commission shall disapprove any proposed project included in the statement, a vote of at least six members of the board of education shall be required for the adoption of a resolution submitting the proposed bond issue to the electors. Notwithstanding the preliminary approval of any project as herein provided, such project shall be resubmitted to the city planning commission at the time and in the manner specified in paragraph (b). The location and nature of each project shall be determined by the board of education and reviewed by the city planning commission at the time, with reference to the circumstances then existing. Nothing herein shall prevent the revision or elimination of any project previously given preliminary approval or the substitution of another project therefor, by the procedure specified in paragraph (b), if considered necessary by the board to fulfill its responsibilities for public education, and for the construction of school facilities so far as possible in accordance with the comprehensive city plan, provided however no such revision, elimination, or substitution shall be made unless approved by unanimous vote of all members of the board of education. Notwithstanding anything to the contrary contained in this act no election shall be held on a proposed issue of bonds on a date earlier than 60 days after preliminary approval or disapproval by the city planning commission.

(b) The school district shall not expend the proceeds of bonds for any purpose provided for in subdivisions 1 to 6 requiring approval of the city planning commission unless a proposed resolution stating the location and general description of the project or undertaking shall have been submitted to the city planning commission for consideration of the proposed project or undertaking as being in accordance with the comprehensive plan of the city of Minneapolis. The commission may state its approval or disapproval of the proposed project or undertaking within 60 days thereafter. A failure on the part of the commission to state its disapproval within 60 days after receipt of such resolution shall be deemed an approval. In the event the commission shall disapprove any proposed project or undertaking, a unanimous vote of the members of the board of education shall be required for the adoption of the resolution.

Sec. 16. Laws 1993, chapter 224, article 12, section 39, as amended by Laws 1994, chapter 647, article 8, section 32, is amended to read:

Sec. 39. [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; 8700.6800; and 8700.7100 , 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; and 3520.5920 , 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; 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; 3530.7800; and chapter 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; 8700.6410; 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; 8700.9000; 8700.9010; 8700.9020; 8700.9030; 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; and 8750.4200; ~~8750.9000; 8750.9100; 8750.9200; 8750.9300; 8750.9400; 8750.9500; 8750.9600; and 8750.9700,~~ are repealed.

Sec. 17. Laws 1993, chapter 224, article 12, section 41, as amended by Laws 1995, First Special Session chapter 3, article 8, section 16, is amended to read:

Sec. 41. [EFFECTIVE DATE.]

Sections 22 to 25 are effective July 1, 1995.

Section 32, paragraph (b), is effective July 1, 1995. Section 32, paragraph (c), is effective August 1, 1996.

Section 39, paragraph (b), is effective August 1, 1994. Section 39, paragraph (c), is effective July 1, 1995. Section 39, paragraph (d), is effective August 1, 1996. Section 39, paragraph (e), is effective ~~July 1~~ December 31, 1996.

Sec. 18. Laws 1995, First Special Session, chapter 3, article 8, section 27, is amended to read:

Sec. 27. [EFFECTIVE DATES.]

Sections 18, 20, and 21 are effective the day following final enactment.

Section 13 is effective July 1, 1997, if the governing body of the city of Saint Paul and the governing body of independent school district No. 625 have approved it and complied with Minnesota Statutes, section 645.021, subdivision 3, before January ~~1~~ 31, 1996. Section 14 does not abrogate language that references city of St. Paul civil service rules in bargaining unit agreements in existence on March 31, 1995.

Sec. 19. [BOARD OF TEACHING GUIDELINES.]

The board of teaching shall recommend guidelines for school districts and teacher preparation institutions to use in determining eligibility requirements for teacher candidates and in developing procedures for an alternative process, which may include authentic and qualitative assessments for candidates to demonstrate skill proficiency in reading, writing and mathematics consistent with the requirements of Minnesota Statutes, section 125.05, subdivision 1a, paragraphs (f) and (g).

Sec. 20. [PARENT EDUCATION INSTRUCTOR LICENSE.]

(a) Notwithstanding Minnesota Statutes, section 125.05, persons who currently hold or have held a parent education instructor license issued by the board of technical colleges or the board of trustees of the Minnesota state colleges and universities prior to June 30, 1997, shall, upon application, be issued a family education/parent educator license granted by the Minnesota board of teaching upon evidence of having met the renewal requirements listed on the expiring license.

(b) Effective June 30, 1997, the board of trustees of the Minnesota state colleges and universities shall not issue parent education instructor licenses.

Sec. 21. [BUFFALO; FARIBAULT; SCHOOL YEAR.]

Subdivision 1. [EXCEPTION.] Notwithstanding Minnesota Statutes, section 126.12, subdivision 1, independent school districts No. 877, Buffalo, No. 656, Faribault, and students from the residential academies, independent school No. 0160 may begin the 1996-1997 school year prior to Labor Day only by the number of days necessary to accommodate the transition into the new or renovated senior high school building.

Subd. 2. [CONDITIONAL EXCEPTION.] If this act is effective after April 1, 1996, the boards of independent school district No. 877, Buffalo, and No. 656, Faribault, are exempt from the April 1 deadline for setting a school calendar for the 1996-1997 school year in Minnesota Statutes, section 126.12, subdivision 2. The board must set the calendar as soon as possible after the effective date of this section.

Subd. 3. [APPLICATION.] This section applies only for the 1996-1997 school year.

Sec. 22. [REPEALER.]

Minnesota Rules, parts 8700.7700; 8700.7710; 8750.9000; 8750.9100; 8750.9200; 8750.9300; 8750.9400; 8750.9500; 8750.9600; and 8750.9700, are repealed.

Sec. 23. [EFFECTIVE DATE.]

Section 11 is effective for the 1995-1996 school year. Sections 14, 16, and 21 are effective the day following final enactment. Section 17 is effective June 30, 1996. Section 20 is effective July 1, 1996. Sections 15 and 18 are effective January 1, 1997.

Section 22 is effective August 1, 1997.

## ARTICLE 10 STATE AGENCIES

Section 1. [STATE AGENCY APPROPRIATIONS.]

Subdivision 1. [APPLICABILITY.] Unless otherwise indicated, the following amounts are appropriated to the department of children, families, and learning for the years shown.

Subd. 2. [FARIBAULT.] (a) \$47,000 in fiscal year 1996 and \$47,000 in fiscal year 1997 for an interpreter at the Faribault academies.

(b) \$12,000 in fiscal year 1996 and \$12,000 in fiscal year 1997 for utility costs at the Faribault academies.

(c) \$182,000 in fiscal year 1996 and \$392,000 in fiscal year 1997 for salary supplement at the Faribault academies.

(d) Appropriations in this subdivision shall be included in the base for fiscal year 1998.

Subd. 3. [CENTER FOR ARTS.] \$113,000 in fiscal year 1996, and \$239,000 in fiscal year 1997, is for salary supplement at the Minnesota Center for the Arts. These appropriations are to the Center and shall be included in the fiscal year 1998 base.

Subd. 4. [OPERATIONS.] (a) \$1,475,000 in fiscal year 1996 and \$1,485,000 in fiscal year 1997 for department operations related to the graduation rule.

(b) \$298,000 in fiscal year 1996, and \$433,000 in fiscal year 1999 for litigation costs.

(c) \$350,000 in fiscal year 1997 for training and retraining of department employees and employees who become department employees from other agencies under Minnesota Statutes, section 119A.04.

(d) \$40,000 in fiscal year 1997 for grants to the Minnesota international center to expand the number of international speakers going into Minnesota classrooms to stimulate global understanding. This grant is available to the extent it is matched by contributions from nonpublic sources.

(e) The appropriation in paragraph (b) shall be included in the base for fiscal year 1998.

## ARTICLE 11 TECHNOLOGIES

Section 1. [121.95] [EDUCATION TECHNOLOGY CLEARINGHOUSE AND UPGRADE SYSTEM.]

Subdivision 1. [ESTABLISHMENT OF TECHNOLOGY CLEARINGHOUSE.] Through a competitive grant process, the commissioner of children, families, and learning shall establish two or more education technology clearinghouses. The purposes of the clearinghouses are:

(1) to serve as centers where businesses or others may donate new or used computers or other technology for use by Minnesota public and private elementary and secondary schools and to upgrade the technology so that it is useful to schools;

(2) to upgrade current school district technology to make it more useful for educational programming;

(3) to inform school districts about the technology available through the clearinghouse;

(4) to collaborate with businesses and other potential donors about the types of technology needed and how to make the technology available from the donors to schools through the clearinghouse.

The clearinghouse shall retain the ability to review equipment for suitability and refuse equipment that does not meet district needs.

Subd. 2. [SYSTEM FOR TECHNOLOGY DISTRIBUTION.] The commissioner shall establish and communicate the process to be used for school districts to access the clearinghouse. Part of the process shall include a provision that the business or other donor may designate the district or school site where the technology is to be used.

Subd. 3. [REVENUE USE.] The revenue appropriated for this section may be used to purchase needed technology for upgrading the computers and other technology from donors, employing staff at the technology clearinghouse and upgrade centers, for informing districts and businesses about the program, and other uses approved by the commissioner.

Sec. 2. Minnesota Statutes 1995 Supplement, section 124C.74, subdivision 2, is amended to read:

Subd. 2. [SCHOOL DISTRICT TELECOMMUNICATIONS GRANT.] (a) A school district may apply for a grant under this subdivision to: (1) establish connections among school districts, and between school districts and the MNet statewide telecommunications network administered by the department of administration under section 16B.465; or (2) if such a connection meeting minimum electronic connectivity standards is already established, enhance telecommunications capacity for a school district. The minimum standards of capacity are a 56 kilobyte data line and 768 kilobyte ITV connection, subject to change based on the recommendations by the Minnesota education telecommunications council. A district may submit a grant application for interactive television with higher capacity connections in order to maintain multiple simultaneous connections. To ensure coordination among school districts, a school district must submit its grant application to the council through an organization that coordinates the applications and connections of at least ten school districts or through an existing technology cooperative.

(b) The application must, at a minimum, contain information to document for each applicant school district the following:

(1) that the proposed connection meets the minimum standards and employs an open network architecture that will ensure interconnectivity and interoperability with other education institutions and libraries;

(2) that the proposed connection and system will be connected to MNet through the department of administration under section 16B.465 and that a network service and management agreement is in place;

(3) that the proposed connection and system will be connected to the higher education telecommunication network and that a governance agreement has been adopted which includes agreements between the school district system, a higher education regional council, libraries, and coordinating entities;

(4) the telecommunication vendor, which may be MNet, selected to provide service from the district to an MNet hub or to a more cost-effective connection point to MNet; and

(5) other information, as determined by the commissioner in consultation with the education

telecommunications council, to ensure that connections are coordinated, meet state standards and are cost-effective, and that service is provided in an efficient and cost-effective manner.

(c) A grant applicant shall obtain a grant proposal for network services from MNet. If MNet is not selected as the vendor, the application must provide the reasons for choosing an alternative vendor. A school district may include, in its grant application, telecommunications access for collaboration with nonprofit arts organizations for the purpose of educational programs, or access for a secondary media center that: (1) is a member of a multitype library system; (2) is open during periods of the year when classroom instruction is occurring; and (3) has licensed school media staff on site.

(d) The Minnesota education telecommunications council shall award grants and the funds shall be dispersed by the commissioner. The highest priority for these grants shall be to bring school districts up to the minimum connectivity standards. ~~The telecommunications council shall also give priority to grant proposals from school districts with fewer than 1,000 students which do not have a data connection.~~ A grant to enhance telecommunications capacity beyond the minimum connectivity standards shall be no more than 75 percent of the maximum grant under this subdivision. Grant applications for minimum connection and enhanced telecommunications capacity grants must be submitted to the commissioner by a coordinating organization including, but not limited to, service cooperatives and education districts. For the purposes of this section, a school district includes charter schools and schools under section ~~120.064~~ 237.065, subdivision 2. Based on the award made by the council, all grants under this subdivision shall be paid by the commissioner directly to a school district (unless this application requests that the funds be paid to the coordinating agency).

(e) Money awarded under this section may be used only for the purposes explicitly stated in the grant application.

Sec. 3. Minnesota Statutes 1995 Supplement, section 124C.74, subdivision 3, is amended to read:

Subd. 3. [REGIONAL LIBRARY TELECOMMUNICATION GRANT.] (a) A regional public library system may apply for a telecommunication access grant. The grant must be used to create or expand the capacity of electronic data access and connect the library system with the MNet statewide telecommunications network administered by the department of administration under section 16B.465. Connections must meet minimum system standards of a 56 kilobyte data line and 768 kilobyte ITV connection. To be eligible for a telecommunications access grant, a regional public library system must: (1) meet the level of local support required under section 134.34; and (2) be open at least 20 hours per week; and ~~(3) provide a local match for the grant with local funds under section 134.46.~~

(b) Any grant award under this subdivision may not be used to substitute for any existing local funds allocated to provide electronic access, or equipment for library staff or the public, or local funds previously dedicated to other library operations.

(c) An application for a regional public library telecommunications access grant must, at a minimum, contain information to document the following:

(1) that the connection meets the minimum standards and employs an open network architecture that will ensure interconnectivity and interoperability with other libraries and the educational system;

(2) that the connection is being established through the most cost-effective means and that the public library has explored and coordinated connections through school districts or other governmental agencies;

(3) that the proposed connection and system will be connected to MNet through the department of administration under section 16B.465 and that a network service and management agreement is in place;

(4) that the proposed connection and system will be connected to the higher education and to

the school district telecommunication networks subject to a governance agreement with one or more school districts and a higher education regional council specifying how the system will be coordinated;

(5) the telecommunication vendor, which may be MNet, selected to provide service from the library to an MNet hub or through a more cost-effective connection point to MNet; and

(6) other information, as determined by the commissioner, to ensure that connections are coordinated, meet state standards, are cost-effective, and that service is provided in an efficient and cost-effective manner so that libraries throughout the state are connected in as seamless a manner as technically possible.

(d) A grant applicant shall obtain a grant proposal for network services from MNet. If MNet is not selected as the vendor, the application must provide the reasons for choosing an alternative vendor.

Sec. 4. Minnesota Statutes 1995 Supplement, section 134.46, is amended to read:

134.46 [REGIONAL LIBRARY TELECOMMUNICATIONS AID.]

(a) A regional public library system may apply to the commissioner for telecommunications aid to support data access through regional public library systems, including access to Internet for library staff and the public. The maximum amount of aid for each public library shall be calculated as follows:

(1) multiply \$1 times the lesser of the population of the area served by the regional public library system, or the sum of the populations of the participating portions of the system; and

(2) deduct an amount equal to the sum of .1 percent times the adjusted net tax capacity for each participating city or county for the year preceding the year the levy is certified.

(b) A regional public library must match state aid with local funds equal to .1 percent times the adjusted net tax capacity for each participating city or county for the year preceding the year the levy is certified. ~~A regional public library that receives a telecommunications access grant under section 124C.74 may use local funds under this section for the grant match in the year the grant is awarded, without a reduction in state aid.~~ Local matching funds must be an increase in the amount of local funds allocated to support library operations in the year prior to the first year of the telecommunication access grant. Local matching funds are exempt from section 134.34. A grant award under this section may not be used to substitute for any existing local funds allocated to provide electronic data access or equipment for library staff or the public, or local funds previously dedicated to other library operations.

(c) Telecommunications aid under this section may be used for the:

(1) construction, maintenance, and lease costs of data access connections, including Internet connections;

(2) purchase, maintenance, professional development, and support of computer hardware and software for data access;

(3) cost of technical support for a regional library systems' technology investments, including technical support, personnel, contracted services for technical support, and training; and

(4) promotion of electronic access through public libraries for members of the public.

(d) If appropriations are insufficient to fully fund aid under this section, the commissioner shall prorate aid payments to participating regional library systems.

Sec. 5. Minnesota Statutes 1995 Supplement, section 237.065, is amended to read:

237.065 [RATES FOR SPECIAL SERVICE TO SCHOOLS.]

Subdivision 1. [BASIC SERVICES.] Each telephone company, including a company that has

developed an incentive plan under section 237.625, that provides local telephone service in a service area that includes a school that has classes within the range from kindergarten to 12th grade shall provide, upon request, additional service to the school that is sufficient to ensure access to basic telephone service from each classroom and other areas within the school, as determined by the school board. Each company shall set a flat rate for this additional service that is less than the company's flat rate for an access line for a business and the same as or greater than the company's flat rate for an access line for a residence in the same local telephone service exchange. When a company's flat rates for businesses and residences are the same, the company shall use the residential rate for service to schools under this section. The rate required under this section is available only for a school that installs additional service that includes access to basic telephone service from each classroom and other areas within the school, as determined by the school board.

Subd. 2. [BASIC AND ADVANCED TELECOMMUNICATION SERVICES.] Notwithstanding the provisions of sections 237.09 and 237.14, each telephone company that provides local telephone service in a service area that includes a school that has classes within the range from kindergarten to 12th grade or that includes a public library may provide, upon request, basic and advanced telecommunication services at reduced or no cost to that school or library. For the purposes of this subdivision, "school" includes a public school as defined in section 120.05, nonpublic, and church or religious organization schools which provide instruction in compliance with sections 120.101 to 120.102.

Sec. 6. Laws 1995, First Special Session chapter 3, article 12, section 8, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT; PURPOSE.] A grant program is established to help school districts work together and with higher education institutions, businesses, local government units, libraries, and community organizations in order to facilitate individualized learning and manage information by employing technological advances, especially computers and computer-related products, and other advanced industrial technologies supporting school-to-work transitions in manufacturing, engineering, and transportation courses. Recipients shall use grant proceeds to:

- (1) enhance teaching and learning productivity through the use of technology;
- (2) develop individual learner classroom-based teaching and learning systems that can be aggregated into site, district, and state frameworks;
- (3) develop personalized learning plans designed to give learners more responsibility for their learning success and change the role of teacher to learning facilitator;
- (4) match and allocate resources;
- (5) create a curriculum environment that is multiplatform;
- (6) provide user and contributor access to electronic libraries;
- (7) schedule activities;
- (8) automate progress reports;
- (9) increase collaboration between school districts and sites, and with businesses, higher education institutions, libraries, and local government units;
- (10) correlate state-defined outcomes to curriculum units for each student;
- (11) increase accountability through a reporting system; and
- (12) provide technical support, project evaluation, dissemination services, and replication.

Sec. 7. Laws 1995, First Special Session chapter 3, article 12, section 12, subdivision 7, is amended to read:

Subd. 7. [TELECOMMUNICATION ACCESS GRANTS.] For grants to school districts and regional public library systems to establish connections to MNet according to Minnesota Statutes, section 124C.74:

\$5,500,000	.....	1996
\$5,000,000	.....	1997
<u>\$11,750,000</u>		

Of this appropriation, \$300,000 each year is to pay the transmission costs for programming over the network and costs associated with operating the network.

This appropriation does not cancel and is available until June 30, 1997 expended.

Sec. 8. [AFTER-SCHOOL PROGRAMS.]

The commissioner of children, families, and learning shall establish a process to initiate a competitive grant program to enhance the use of technology in after-school programs. Eligible organizations include school districts, private schools, nonprofit community organizations, public housing agencies, and other successful programs that serve youth.

Sec. 9. [COOPERATIVE PURCHASING.]

The department of children, families, and learning shall work in conjunction with the department of administration, public libraries, and other public institutions to facilitate state level contracts for the purchase of instructional and administrative software, computers, video and network hardware for public and nonpublic schools, cities, and counties.

Sec. 10. [TECHNOLOGY INCENTIVES PILOT PROGRAM.]

Subdivision 1. [TECHNOLOGY INCENTIVES PILOT PROGRAM GRANT AND LEVY.] A school district may apply to the commissioner of children, families, and learning for a technology incentives pilot program grant and levy. The purpose of the pilot program is to provide secondary school students with individual access to technology throughout the student's secondary educational program, to integrate computers into classroom learning activities, and to provide incentives for students to stay in school and achieve high educational standards.

Subd. 2. [APPLICATION.] In order to receive a technology incentives pilot program grant and levy, a district shall submit a plan developed cooperatively with one or more private partners to the commissioner of children, families, and learning in the form and manner prescribed by the commissioner. The plan shall include goals for improving access to technology, student achievement, and school attendance for students participating in the pilot program; a description of the public and private partnership involved in developing the technology incentives plan; and the responsibilities of each partner. In awarding a technology incentives pilot program grant and levy, the commissioner shall take into consideration the number of students in a site who are from families whose household income is less than 185 percent of the federal poverty level.

Subd. 3. [TECHNOLOGY INCENTIVES LEVY.] A district may levy an amount not to exceed one-fourth of the cost of the district's lease purchase agreement under subdivision 4. The district may not levy under this section for more than three years following the first year of the lease purchase agreement.

Subd. 4. [USE OF GRANT AND LEVY.] A district shall use the technology incentives grant and levy to purchase a computer for each ninth grade student enrolled in one or more participating school sites. A portion of the grant may be used to purchase or provide technical support or maintenance services. The district may purchase computers for this program under a lease purchase agreement. Notwithstanding section 123.37, subdivision 1, a district may enter into a four-year lease purchase agreement after complying with the other contracting provisions of section 123.37. A ninth grade student must have exclusive use of a computer assigned by this program throughout the time the student is enrolled in the district issuing the computer or enrolled at a participating school site. Notwithstanding sections 120.71 to 120.76, the district may sell the computer to the student when the student receives a high school diploma from the district. The district shall consider ability to pay in establishing the purchase prices of computers.

Sec. 11. [TECHNOLOGY INTEGRATION MATCHING GRANTS.]

A technology integration matching grant program is established. Grant amounts shall be allocated to districts on a per pupil basis. To be eligible, a district must match the grant with \$3 of local funds for each \$1 of state funds and must have identified a person to act as a technology coordinator for the district. The grant and matching funds must be used to provide for staff training in districts to help licensed staff learn how to integrate the use of technology in the classroom with alternative curriculum and instructional approaches. The department shall establish guidelines and an application process for the grant.

Sec. 12. [TECHNOLOGY RELATED FUND BALANCE ADJUSTMENTS.]

Notwithstanding Minnesota Statutes, section 124A.26, a district must not receive an aid or levy reduction for general education revenue according to that section for fiscal year 1996. Aid adjustments shall be paid in fiscal year 1997 and shall be paid to the district only to the extent the aid is matched in a manner similar to section 11. The department shall make the appropriate levy adjustments. This revenue must be used for the same purposes as section 11.

Sec. 13. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF CHILDREN, FAMILIES, AND LEARNING.] The sums indicated in this section are appropriated from the general fund to the department of children, families, and learning for the fiscal year designated.

Subd. 2. [EDUCATION TECHNOLOGY CLEARINGHOUSE AND UPGRADE SYSTEM.] For the education technology clearinghouse and upgrade system under section 1:

<u>\$250,000</u>	.....	<u>1997</u>
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Any amount of this appropriation not used shall be available for grants under section 7.

Subd. 3. [INSTRUCTIONAL SOFTWARE.] For instructional software purchases under section 11:

<u>\$1,000,000</u>	.....	<u>1997</u>
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Of this amount, \$500,000 shall be used for a pilot project for districts or a group of districts to implement and demonstrate an electronic curriculum library. The library must be aligned with the content standards of the graduation rule and must include benchmarks to track students' progress. The department shall establish guidelines and an application process to implement this project. The department shall give additional consideration to applicants who work with private sector experts and vendors in developing the library. Of this amount, \$50,000 is for a grant to the environmental conservation section of the Minneapolis library for technology investments and for the expansion on the Internet of environmentally related information.

Subd. 4. [AFTER-SCHOOL PROGRAMS.] For after-school program grants under section 8:

<u>\$1,000,000</u>	.....	<u>1997</u>
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The appropriation does not cancel and is available until expended.

Subd. 5. [TECHNOLOGY INTEGRATION GRANTS.] For the purposes of sections 11 and 12:

<u>\$4,629,000</u>	.....	<u>1997</u>
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Of this amount, \$2,100,350 is available for aid payments under section 12. This amount reflects 85 percent of the aid entitlement.

Subd. 6. [TECHNOLOGY INCENTIVE GRANTS.] For technology incentive grants under section 10:

<u>\$285,000</u>	.....	<u>1997</u>
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Sec. 14. [EFFECTIVE DATE.]

Sections 7 and 9 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to education; clarifying education finance statutes; clarifying school transportation statutes; clarifying revenue used in calculation of community education and early childhood education reserve accounts; modifying name of high school graduation incentives program; repealing law addressing relationship between technical colleges and school districts; modifying fall payment date of endowment fund earnings; clarifying adjustment of aids and levies for reduced pupil unit weight for secondary students; modifying funding adjustment for open enrollment and other alternative attendance programs; converting referendum authority to an allowance per pupil unit; clarifying that district may convert to ongoing referendum; allowing county apportionment amounts to be recovered from state aids; adjusting general education aid for pupils attending charter schools; clarifying the elimination of the capital expenditure and transportation funds; modifying the special education due process hearing; modifying the LEP funding formula to allow the base year to roll forward; modifying calculation of assurance of mastery aid to use fund balance pupil units; clarifying tuition for special education excess cost revenue; providing for adjustments for alternative attendance programs in general revenue for purposes of computing excess cost revenue; providing for the computation of secondary vocational-disabled revenue using current year data; modifying the interagency early childhood intervention system; requiring that community action programs participate in family services collaboratives; removing exclusion of school buses from bonding authority and limiting total levy for equipment and facilities bonds; providing for clarification and consistency of facilities bonding; repealing the open enrollment transportation appeal requirement; modifying post-secondary enrollment options program to include no payment for no student attendance in class; expanding the number of districts receiving year-round school/extended week or day pilot program grants; eliminating the private alternative program report; excluding transportation revenue from general education revenue for charter schools; providing for changes in transportation funding for charter schools; removing obsolete references to equipment revenue; modifying special education and limited English proficiency aid for a charter school; clarifying approved costs for a magnet school facility; clarifying statutory operating debt and adjusting the reporting date; appropriating money; amending Minnesota Statutes 1994, sections 120.062, subdivision 9; 120.17, subdivision 9, and by adding a subdivision; 120.1701, subdivision 10; 120.73, subdivision 1; 121.8355, subdivision 1; 121.906; 123.35, by adding a subdivision; 123.39, subdivision 8b; 123.932, subdivisions 1b, 1c, 1e, and 11; 123.933; 123.935, subdivisions 2 and 7; 124.09; 124.155, subdivision 1; 124.17, subdivisions 1d, 1e, 1f, and 1g; 124.195, subdivision 8; 124.239, subdivision 5, and by adding subdivisions; 124.2711, subdivision 6; 124.2713, subdivision 10; 124.273, by adding subdivisions; 124.276; 124.311, subdivisions 1, 4, and 5; 124.48, subdivision 3; 124.86, subdivisions 1, 2, and by adding subdivisions; 124.91, subdivision 1, and by adding a subdivision; 124A.02, subdivision 25; 124A.03, subdivision 3b, and by adding a subdivision; 124A.0311, subdivision 3; 124A.035, subdivision 4; 124A.036, by adding a subdivision; 124A.22, by adding a subdivision; 124A.28, subdivision 1, and by adding a subdivision; 124A.291; 124C.45, by adding a subdivision; 124C.498, subdivision 3; 125.05, subdivision 1a, and by adding a subdivision; 125.70; 125.701; 125.703; 125.704; 125.705, subdivision 1; 126.22, subdivision 1; 126.531, subdivision 3; 126.83; 128D.11, subdivisions 3, 5, 8, and 10; 169.4504, by adding a subdivision; 256.736, subdivision 11; 276.11, by adding a subdivision; Minnesota Statutes 1995 Supplement, sections 120.064, subdivision 9; 120.17, subdivisions 3a, 3b, and 6; 120.1701, subdivision 20; 120.181; 120.74, subdivision 1; 121.904, subdivisions 4a and 4c; 121.911, subdivision 5; 121.917, subdivision 4; 123.3514, subdivisions 6 and 6b; 123.39, subdivision 6; 123.7991, subdivision 2; 124.155, subdivision 2; 124.17, subdivision 1; 124.195, subdivision 12; 124.223, subdivision 4; 124.225, subdivisions 8l, 14, 16, and 17; 124.243, subdivision 2; 124.2445; 124.2455; 124.248, subdivisions 1, 1a, and 3; 124.2727, subdivision 6d; 124.273, subdivisions 1c and 1d; 124.314, subdivision 2; 124.3201, subdivisions 1, 2, 3, and by adding a subdivision; 124.3202; 124.323, subdivisions 1 and 2; 124.574, subdivisions 2f and 2g; 124.918, subdivision 2; 124A.03, subdivision 2; 124A.0311, subdivision 2; 124A.22, subdivisions 2a, 10, and 13b; 124A.23, subdivision 4; 124C.498, subdivision 2; 124C.74, subdivisions 2 and 3; 126.22, subdivisions 2, 2, 3, 5, and 8; 126.23; 128B.03,

subdivision 3a; 134.46; 169.01, subdivision 6; 237.065; 325G.203, subdivision 11; and 631.40, subdivision 1a; proposing coding for new law in Minnesota Statutes, chapters 120; 121; and 125; repealing Minnesota Statutes 1995 Supplement, section 124.155, subdivision 2; Laws 1993, chapter 224, article 1, section 34, subdivisions 2 and 3; article 12, sections 39 and 41, as amended; Laws 1995, First Special Session, chapter 3, article 1, section 61; article 2, sections 51, subdivision 7; 52; and 53; article 5, section 20, subdivisions 5, 6, and 7; article 6, section 17, subdivisions 2, 4, and by adding subdivisions; article 7, section 5, subdivision 4; article 8, sections 25, subdivisions 2 and 18; and 27; article 12, sections 8, subdivision 1; and 12, subdivision 7; article 14, section 5; article 15, section 26, subdivisions 7 and 8."

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

**Mr. Berg from the Committee on Gaming Regulation, to which was referred**

**S.F. No. 2613:** A bill for an act relating to gambling; permitting organizations to conduct contests involving certain card games for senior citizens; amending Minnesota Statutes 1994, section 609.761, by adding a subdivision.

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

Page 1, line 10, after "promoted" insert "and conducted"

Page 1, line 11, delete "veterans" and insert "non-profit"

Page 1, line 15, delete the second "the" and delete the second "of" and insert a semicolon

Page 1, delete lines 16 and 17

Page 1, line 18, after "any" insert "direct"

Page 1, line 19, after the semicolon, insert "and"

Page 1, line 21, delete "; and" and insert a period

Page 1, delete lines 22 and 23 and insert:

"Sec. 2. [COMMISSION; DISCUSSIONS WITH TRIBAL GOVERNMENTS.]

Subdivision 1. [COMMISSION CREATED.] An Indian gaming negotiation commission is created, consisting of the governor, the attorney general, the speaker and minority leader of the house of representatives, the majority and minority leaders of the senate, and the chairs of the senate gaming regulation committee and the house of representatives governmental operations and gambling committee.

Subd. 2. [DISCUSSIONS AND NEGOTIATIONS.] (a) The commission established in subdivision 1 shall initiate and conduct discussions with Indian tribal governments in the state on areas of mutual concern regarding tribal-state relations, including gambling related issues. In conducting the discussions and negotiations, the commission shall not negotiate amendments to or replacements for tribal compacts authorized under Minnesota Statutes, section 3.9221, but may discuss, negotiate, and agree to provisions that complement, expand on, or are ancillary to those compacts.

(b) Areas of mutual concern for discussion by the commission and tribal governments must include, but are not limited to:

(1) government to government relations and a process for continued dialogue;

(2) regulatory role of state and Indian tribes relative to tribal gaming;

(3) regulatory and enforcement costs related to tribal gaming and who should be responsible for paying the costs;

- (4) social implications of gambling on Minnesota citizens;
- (5) benefits and costs accruing to local units of government as a result of tribal casinos;
- (6) long-term economic benefits and costs of Indian gaming to the Indian community and all citizens of Minnesota;
- (7) information that should be made available to the state on casino gaming and the state agency that should collect and maintain this information;
- (8) designation of an agency or agencies to be the state's primary liaison with tribal governments; and
- (9) tribal-state compacting process and sovereignty.

Subd. 3. [REPORT.] The commission shall report to the legislature by January 15, 1997, on the results of its discussions. In the report, the commission shall summarize the substance of its discussions and make appropriate recommendations.

Subd. 4. [AUTHORITY OF MEMBERS.] Nothing in this section limits the authority of the commission members to conduct other meetings, discussions, or negotiations with Indian tribal governments or their representatives.

Sec. 3. [EFFECTIVE DATE.]

Section 2 is effective the day following final enactment."

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "establishing a commission to conduct discussions with Indian tribal governments on gambling issues; prescribing membership of commission; requiring a report;"

And when so amended the bill do pass.

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

**Ms. Berglin from the Committee on Health Care, to which was referred**

**S.F. No. 1887:** A bill for an act relating to human services; directing the department of human services to determine and pay certain compensation of the appeals panel along with allowable fees and costs of patient's counsel; extending the state's authority to obtain a lien when covering medical care for a person; adding provisions to notice required for monetary claims; amending Minnesota Statutes 1994, sections 253B.19, subdivision 1; 256.015, subdivision 4; and 256B.042, subdivisions 1 and 4; Minnesota Statutes 1995 Supplement, sections 256.015, subdivisions 1 and 2; and 256B.042, subdivision 2.

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

Page 7, after line 5, insert:

"Sec. 8. Minnesota Statutes 1995 Supplement, section 256D.045, is amended to read:

256D.045 [SOCIAL SECURITY NUMBER REQUIRED.]

To be eligible for general assistance under sections 256D.01, 256D.02, and 256D.04 to 256D.21, an individual must provide the individual's social security number to the county agency or submit proof that an application has been made. The provisions of this section do not apply to the determination of eligibility for emergency general assistance under section 256D.06, subdivision 2."

Amend the title as follows:

Page 1, line 12, delete "and"

Page 1, line 13, after "2" insert "; and 256D.045"

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

**Ms. Flynn from the Committee on Transportation and Public Transit, to which was referred**

**S.F. No. 2691:** A bill for an act relating to transportation; establishing transportation policy for the metropolitan area; requiring a performance audit of the metropolitan transportation system; expanding the metropolitan council's authority over metropolitan area highways; requiring the council to establish a community-based transit demonstration program; providing a service incentive for opt-outs; providing for legislative auditor to prepare a best practices report; requiring the council to prepare a transit redesign plan for 1997; requiring legislative report; appropriating money; amending Minnesota Statutes 1994, sections 174.03, subdivision 5; 473.167, subdivision 1; and 473.388, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 473.

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 1995 Supplement, section 296.02, subdivision 1b, is amended to read:

Subd. 1b. [RATES IMPOSED.] The gasoline excise tax is imposed at the following rates from July 1, 1996, to March 31, 1997:

- (1) E85 is taxed at the rate of ~~14.2~~ 17.7 cents per gallon;
- (2) M85 is taxed at the rate of ~~11.4~~ 14.3 cents per gallon; and
- (3) all other gasoline is taxed at the rate of ~~20~~ 25 cents per gallon.

After March 31, 1997, the gasoline excise tax rate shall be determined annually under subdivision 1c.

Sec. 2. Minnesota Statutes 1994, section 296.02, is amended by adding a subdivision to read:

Subd. 1c. [ANNUAL GASOLINE AND SPECIAL FUEL TAX RATE ADJUSTMENT.] (a) Beginning in 1997 and annually thereafter, before April 1 of each year the commissioner of revenue shall adjust the rate of the gasoline and special fuel excise tax. The new rate must be calculated by multiplying the rate in effect at the time of the calculation by an amount obtained under paragraph (b). The new rate must be rounded to the nearest 0.1 cent and is effective on April 1 of each year.

(b) Divide the annual average United States Consumer Price Index for all urban consumers, United States city average, as determined by the United States Department of Labor for the previous year by that annual average for the year before the previous year.

Sec. 3. Minnesota Statutes 1995 Supplement, section 296.025, subdivision 1b, is amended to read:

Subd. 1b. [TAX RATES.] The special fuel excise tax is imposed at the following rates:

On and after July 1, 1996:

- (1) Liquefied petroleum gas or propane is taxed at the rate of ~~15~~ 18.7 cents per gallon.
- (2) Liquefied natural gas is taxed at the rate of ~~12~~ 15 cents per gallon.

(3) Compressed natural gas is taxed at the rate of ~~\$1.739~~ \$2.174 per thousand cubic feet; or ~~20~~ 25 cents per gasoline equivalent, as defined by the National Conference on Weights and Measures, which is 5.66 pounds of natural gas.

(4) All other special fuel is taxed at the same rate as the gasoline excise tax.

After March 31, 1997, the special fuel excise tax rate shall be determined under section 296.02, subdivision 1c.

Sec. 4. [473.1466] [TRANSPORTATION POLICY.]

Subdivision 1. [DEFINITION.] For the purposes of this section and section 473.1468 "commuting area" means the metropolitan area and counties outside the metropolitan area in which five percent or more of the residents commute to employment in the metropolitan area.

Subd. 2. [REVISED TRANSPORTATION POLICY PLAN.] The metropolitan council shall adopt, after appropriate public comment, a revised transportation policy plan that:

(1) is consistent with and promotes the policies of the Regional Blueprint, adopted by the council in September of 1994;

(2) is consistent with and promotes the goals of the metropolitan livable communities act;

(3) identifies and summarizes issues concerning commuting into and out of the seven-county area from the commuting area;

(4) integrates and maximizes the efficiencies and effectiveness of all modes of transportation in the region; and

(5) reflects and does not exceed current available resources.

The council shall adopt the revised transportation policy plan by December 31, 1996.

Subd. 3. [PROJECT EVALUATION.] As part of developing the revised transportation policy plan, the council shall evaluate all proposed and pending transportation projects that are subject to council review and report to the legislature the results of council's evaluation.

Sec. 5. [473.1468] [PERFORMANCE AUDIT.]

In 1997 and every five years thereafter, the council shall provide for an independent entity selected through a request for proposal process conducted nationwide to do a performance audit of the commuting area's transportation system as a whole. The performance audit must evaluate the commuting area's ability to meet the region's needs for effective and efficient transportation of goods and people, evaluate future trends and their impacts on the region's transportation system, and make recommendations for improving the system. The performance audit must recommend performance-funding measures.

Sec. 6. Minnesota Statutes 1994, section 473.167, subdivision 1, is amended to read:

Subdivision 1. [CONTROLLED ACCESS HIGHWAYS AND TRANSIT FIXED-GUIDEWAYS; COUNCIL APPROVAL.] Before acquiring land for or constructing a controlled access highway or other highway that the Minnesota department of transportation functionally classifies as a principal arterial highway, or transit fixed-guideway in the area, the state transportation department or local government unit proposing the acquisition or construction shall submit to the council a statement describing the proposed project. The statement must be in the form and detail required by the council. The council shall review the statement to ascertain its consistency with its policy plan and the development guide. No project may be undertaken unless the council determines that it is consistent with the policy plan. This approval is in addition to the requirements of any other statute, ordinance or rule.

Sec. 7. [473.3875] [TRANSIT FOR LIVABLE COMMUNITIES.]

The council shall establish a transit for livable communities demonstration program fund. The

council shall adopt guidelines for selecting and evaluating demonstration projects for funding. The selection guidelines must include provisions evaluating projects:

- (1) interrelating development or redevelopment and transit;
- (2) interrelating affordable housing and employment growth areas;
- (3) helping intensify land use that leads to more compact development or redevelopment;
- (4) coordinating school transportation and public transit service;
- (5) implementing recommendations of the transit redesign plan; or
- (6) otherwise promoting the goals of the metropolitan livable communities act.

Sec. 8. Minnesota Statutes 1994, section 473.388, is amended by adding a subdivision to read:

Subd. 7. [SERVICE INCENTIVE.] A replacement transit service shall receive an additional two percent of available local transit funds, as defined in subdivision 4, if the service increased its ridership for trips that originate outside of the replacement transit service's member communities and serve the employment centers in those communities by at least five percent from the previous year, provided the service operates within regional performance standards. A replacement transit service that is receiving the maximum amount of available local transit funds may receive up to two percent over the maximum amount set in subdivision 4 if it increases its ridership as provided in this subdivision. The additional funding received under this subdivision may be reserved by the replacement transit service for future use.

Sec. 9. [473.440] [METROPOLITAN AREA SALES AND USE TAX.]

Subdivision 1. [IMPOSITION.] Notwithstanding section 477A.016, or any other contrary provision of law, ordinance, or city charter, the metropolitan council may impose an additional metropolitan area sales tax at a rate not to exceed one-half of one percent on all sales taxable under chapter 297A that occur in the metropolitan area, as defined in section 473.121, and may impose an additional compensating use tax of up to one-half of one percent on uses of property within the metropolitan area, the sale of which would be subject to the additional sales tax but for the fact such property was sold outside the metropolitan area.

The tax imposed by this section may be adjusted annually by the metropolitan council such that the rate imposed does not exceed one-half of one percent.

The tax imposed by this section must not be counted in calculating the maximum 12 percent specified in Laws 1986, chapter 396, section 5, subdivision 2, for taxes on lodging in the city of Minneapolis.

Subd. 2. [FUTURE IMPOSITION.] In the event of any amendment to chapter 297A enacted subsequent to the effective date of this act, the metropolitan council may extend the tax imposed in this section to any such sales or uses.

Subd. 3. [ADMINISTRATION AND COLLECTION.] The commissioner of revenue shall administer and collect the tax imposed under this section, in the manner provided by chapters 289A and 297B.

The commissioner may enter into appropriate agreements with the metropolitan council to provide for collection by the state of the tax imposed pursuant to subdivision 2. The commissioner may charge the metropolitan council from the proceeds of any tax a reasonable fee for its collection.

Subd. 4. [USE OF REVENUE.] The metropolitan council shall use the revenue received from the tax imposed in subdivision 2 as follows:

- (1) to pay the cost of collecting the tax;
- (2) to maintain, coordinate, and improve transit services in the metropolitan area, except that

the tax revenue must not be used for special transportation service in the metropolitan area or for elderly and handicapped service, as defined in section 174.22, subdivision 13;

(3) to provide full and timely payment of certificates of indebtedness, bonds, including refunding bonds or other obligations issued or to be issued under section 473.39 or 473.436 and to which the council has specifically pledged tax levies;

(4) to satisfy judgments entered by any court against the former regional transit board, the former metropolitan transit commission, or the metropolitan council in matters relating to transit in the metropolitan area;

(5) to provide to applicants receiving assistance for a replacement service program an amount not to exceed the allowable amount calculated under section 473.388, subdivision 4, for taxes payable in 1995; and

(6) to carry out the powers and duties in sections 473.371 to 473.449 excluding 473.386.

Sec. 10. Minnesota Statutes 1994, section 473.446, subdivision 1, is amended to read:

Subdivision 1. [TAXATION WITHIN TRANSIT TAXING DISTRICT.] For the purposes of sections 473.404 to 473.449 and the metropolitan transit system, except as otherwise provided in this subdivision, the council shall may levy each year upon all taxable property within the metropolitan transit taxing district, defined in subdivision 2, a transit tax consisting of:

(a) ~~an amount which shall be used for payment of the expenses of operating transit and paratransit service and to provide for payment of obligations issued by the council under section 473.436, subdivision 6;~~

(b) ~~an additional amount, if any, the council determines to be necessary to provide for the full and timely payment of its certificates of indebtedness and other obligations outstanding on July 1, 1985, to which property taxes under this section have been pledged; and~~

(c) ~~an additional amount necessary to provide full and timely payment of certificates of indebtedness, bonds, including refunding bonds or other obligations issued or to be issued under section 473.39 by the council for purposes of acquisition and betterment of property and other improvements of a capital nature and to which the council has specifically pledged tax levies under this clause.~~

The property tax levied by the council for general purposes under clause (a) must not exceed the following amount for the years specified:

~~(1) for taxes payable in 1995, the council's property tax levy limitation for general transit purposes is equal to the former regional transit board's property tax levy limitation for general transit purposes under this subdivision, for taxes payable in 1994, multiplied by an index for market valuation changes equal to the total market valuation of all taxable property located within the metropolitan transit taxing district for the current assessment year divided by the total market valuation of all taxable property located within the metropolitan transit taxing district for the previous assessment year; and~~

~~(2) for taxes payable in 1996 and subsequent years, the product of (i) the council's property tax levy limitation for general transit purposes for the previous year determined under this subdivision multiplied by (ii) an index for market valuation changes equal to the total market valuation of all taxable property located within the metropolitan transit taxing district for the current taxes payable year divided by the total market valuation of all taxable property located within the metropolitan transit taxing district for the previous taxes payable year. For the taxes payable year 1995, the index for market valuation changes shall be multiplied by an amount equal to the sum of the regional transit board's property tax levy limitation for the taxes payable year 1994 and \$160,665. The \$160,665 increase shall be a permanent adjustment to the levy limit base used in determining the regional transit board's property tax levy limitation for general purposes for subsequent taxes payable years.~~

~~For the purpose of determining the council's property tax levy limitation for general transit~~

purposes under this subdivision, "total market valuation" means the total market valuation of all taxable property within the metropolitan transit taxing district without valuation adjustments for fiscal disparities (chapter 473F), tax increment financing (sections 469.174 to 469.179), and high voltage transmission lines (section 273.425).

~~The county auditor shall reduce the tax levied pursuant to this subdivision on all property within statutory and home rule charter cities and towns that receive full-peak service and limited off-peak service by an amount equal to the tax levy that would be produced by applying a rate of 0.510 percent of net tax capacity on the property. The county auditor shall reduce the tax levied pursuant to this subdivision on all property within statutory and home rule charter cities and towns that receive limited peak service by an amount equal to the tax levy that would be produced by applying a rate of 0.765 percent of net tax capacity on the property. The amounts so computed by the county auditor shall be submitted to the commissioner of revenue as part of the abstracts of tax lists required to be filed with the commissioner under section 275.29. Any prior year adjustments shall also be certified in the abstracts of tax lists. The commissioner shall review the certifications to determine their accuracy and may make changes in the certification as necessary or return a certification to the county auditor for corrections. The commissioner shall pay to the council the amounts certified by the county auditors on the dates provided in section 273.1398. There is annually appropriated from the general fund in the state treasury to the department of revenue the amounts necessary to make these payments.~~

~~For the purposes of this subdivision, "full-peak and limited off-peak service" means peak period regular route service, plus weekday midday regular route service at intervals longer than 60 minutes on the route with the greatest frequency; and "limited peak period service" means peak period regular route service only.~~

The council may levy the tax without limitation to pay the principal and interest due on bonds, certificates of indebtedness, or other obligations issued by the council before January 1, 1997, under section 473.39 or 473.436. After January 1, 1997, the council may levy the tax only if the metropolitan area sales tax under section 473.440 is levied at a rate of one-half of one percent and if anticipated revenues from the metropolitan area sales tax are not sufficient to pay the principal and interest due on any bonds, certificates of indebtedness, or other obligations issued by the council after January 1, 1997, under section 473.39 or 473.436. After January 1, 1997, the tax levy must not exceed the annual principal and interest due on obligations issued under section 473.39 or 473.436. The taxes under this subdivision must be levied and collected in the manner specified in section 473.13, subdivision 2.

Sec. 11. Minnesota Statutes 1994, section 473.446, subdivision 8, is amended to read:

Subd. 8. ~~[STATE REVIEW LEVY CERTIFICATION.]~~ The council must certify its property tax levy to the commissioner of revenue by August 1 of the levy year. ~~The commissioner of revenue shall annually determine whether the property tax for general transit purposes certified by the council for levy following the adoption of its budget is within the levy limitation imposed by subdivision 1. The commissioner shall also annually determine whether the transit tax imposed on all taxable property within the metropolitan transit area but outside of the metropolitan transit taxing district is within the levy limitation imposed by subdivision 1a. The determination must be completed prior to September 10 of each year. If current information regarding market valuation in any county is not transmitted to the commissioner in a timely manner, the commissioner may estimate the current market valuation within that county for purposes of making the calculations.~~

Sec. 12. [BEST PRACTICES REPORT.]

The legislative audit commission is requested to direct the legislative auditor to prepare and submit to the legislature by December 1, 1996, a best practices report on cooperative and integrated transit services that are effective and efficient. To the extent available, the report must include information on best practices for regular route public transit service, transit that links jobs and housing, integrating private transit services with public transit services, and integrating school transportation with public transit services.

Sec. 13. [METROPOLITAN TRANSIT REDESIGN.]

Subdivision 1. [1997 PLAN.] The metropolitan council shall present to the 1997 legislature a status report on the implementation plan for improved transit service for the region. The plan must be developed with the assistance of an advisory committee established by the council. At a minimum, the plan must:

- (1) utilize community-based transit services;
- (2) encourage local initiatives for improved transit service;
- (3) encourage coordination of various public transit services and private, for-profit, and nonprofit transit services that do not receive transit subsidies from the council;
- (4) establish performance measures that further transit goals for the region that are consistent with and promote the policies of the Regional Blueprint and the metropolitan livable communities act; and
- (5) include an operating and capital budget projection for the biennium ending June 30, 1999.

Subd. 2. [ADVISORY COMMITTEE.] The council shall utilize an advisory committee to assist the council in preparing the plan required under subdivision 1. Members of the committee must represent local community interests. Members of the advisory committee shall serve without compensation but may be reimbursed by the council for reasonable expenses.

Sec. 14. [STUDY; PAYING FOR NEW GROWTH.]

The metropolitan council shall identify means of insuring that new development pays the costs associated with the new development, including, but not limited to, the costs of infrastructure to accommodate the new development and the present value of services provided by public entities. The council shall report its findings to the legislature by December 15, 1997.

Sec. 15. [PERFORMANCE AUDIT; DEADLINE.]

The metropolitan council's first performance audit report, required under section 5 must be submitted to the legislature by December 15, 1997.

Sec. 16. [REPEALER.]

Minnesota Statutes 1994, section 473.446, subdivisions 1a and 3, are repealed.

Sec. 17. [APPLICATION.]

Sections 7 to 11 and 13 to 15 apply in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 18. [EFFECTIVE DATE.]

Sections 1 is effective July 1, 1996. Section 9 is effective with respect to sales on and after January 1, 1997. Sections 10 and 11 are effective January 1, 1997. Sections 4 to 8, and 14 to 16 are effective the day following final enactment."

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "changing the gasoline excise rate and special fuel excise tax rate; indexing the rate of taxation on gasoline and special fuels;"

Page 1, line 9, after the semicolon, insert "allowing metropolitan council to impose a metropolitan area sales tax; limiting metropolitan council transit taxing authority;"

Page 1, line 13, delete from "amending" through page 1, line 16, to "473" and insert "amending Minnesota Statutes 1994, sections 296.02, by adding a subdivision; 473.167, subdivision 1; 473.388, by adding a subdivision; and 473.446, subdivisions 1 and 8; Minnesota Statutes 1995 Supplement, sections 296.02, subdivision 1b; and 296.025, subdivision 1b; proposing coding for new law in Minnesota Statutes, chapter 473; repealing Minnesota Statutes 1994, section 473.446, subdivisions 1a and 3"

And when so amended the bill do pass and be re-referred to the Committee on Metropolitan and Local Government.

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

**Mr. Moe, R.D. from the Committee on Agriculture and Rural Development**, to which were referred the following appointments as reported in the Journal for February 1, 1996:

**BOARD OF ANIMAL HEALTH**

Dr. John Howe, D.V.M.

**MINNESOTA RURAL FINANCE AUTHORITY**

Vivian E. Evans

Reports the same back with the recommendation that the appointments be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

**SECOND READING OF SENATE BILLS**

S.F. Nos. 1888, 1117, 2675, 1799, 1875, 2218, 2516, 2169, 1792, 1708, 2517, 2170, 2357, 2120, 2192, 2077, 2598, 2591, 2780, 2532, 2672, 2054, 2098, 950, 2476 and 2204 were read the second time.

**SECOND READING OF HOUSE BILLS**

H.F. Nos. 2401, 2420, 2558, 2532 and 2391 were read the second time.

**MOTIONS AND RESOLUTIONS**

Mr. Beckman moved that the name of Mr. Ourada be added as a co-author to S.F. No. 1968. The motion prevailed.

Mr. Metzen moved that the name of Ms. Berglin be added as a co-author to S.F. No. 2175. The motion prevailed.

Mr. Berg moved that the names of Ms. Lesewski and Mr. Scheevel be added as co-authors to S.F. No. 2351. The motion prevailed.

Mr. Johnson, D.J. moved that the names of Messrs. Chandler and Limmer be added as co-authors to S.F. No. 2381. The motion prevailed.

Mr. Knutson moved that the name of Mr. Kleis be added as a co-author to S.F. No. 2435. The motion prevailed.

Ms. Runbeck moved that the name of Mr. Kramer be added as a co-author to S.F. No. 2626. The motion prevailed.

Mr. Sams moved that the name of Mr. Dille be added as a co-author to S.F. No. 2675. The motion prevailed.

Ms. Wiener moved that the name of Mr. Larson be added as a co-author to S.F. No. 2758. The motion prevailed.

Mr. Lessard moved that the name of Mr. Moe, R.D. be added as a co-author to S.F. No. 2760. The motion prevailed.

Ms. Pappas moved that the name of Mr. Belanger be added as a co-author to S.F. No. 2807. The motion prevailed.

Mr. Hottinger moved that the name of Mr. Finn be added as a co-author to S.F. No. 2808. The motion prevailed.

Mr. Hottinger moved that S.F. No. 2023 be withdrawn from the Committee on Health Care and re-referred to the Committee on Commerce and Consumer Protection. The motion prevailed.

Mr. Laidig moved that S.F. No. 2030 be withdrawn from the Committee on Environment and Natural Resources and re-referred to the Committee on Taxes and Tax Laws. The motion prevailed.

Mr. Neuville moved that the name of Mrs. Fischbach be added as a co-author to S.F. No. 1867. The motion prevailed.

Mr. Berg moved that the name of Mr. Sams be added as a co-author to S.F. No. 2351. The motion prevailed.

Mr. Chmielewski moved that the name of Mr. Lessard be added as a co-author to S.F. No. 2579. The motion prevailed.

Mr. Neuville moved that the name of Mrs. Fischbach be added as a co-author to S.F. No. 2788. The motion prevailed.

Mr. Neuville moved that the name of Mrs. Fischbach be added as a co-author to S.F. No. 2789. The motion prevailed.

Ms. Hanson moved that S.F. No. 2676, on General Orders, be stricken and re-referred to the Committee on Finance. The motion prevailed.

Ms. Hanson moved that S.F. No. 2209, on General Orders, be stricken and re-referred to the Committee on Finance. The motion prevailed.

Ms. Hanson moved that S.F. No. 1792, on General Orders, be stricken and re-referred to the Committee on Finance. The motion prevailed.

Ms. Pappas moved that S.F. No. 2169, on General Orders, be stricken and re-referred to the Committee on Finance. The motion prevailed.

Mr. Morse moved that S.F. No. 2120, on General Orders, be stricken and re-referred to the Committee on Finance. The motion prevailed.

Ms. Anderson moved that S.F. No. 2532, on General Orders, be stricken and re-referred to the Committee on Finance. The motion prevailed.

### **INTRODUCTION AND FIRST READING OF SENATE BILLS**

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

#### **Mr. Price introduced--**

**S.F. No. 2815:** A bill for an act relating to the city of Woodbury; extending the period of time tax increment may be collected from certain parcels in an economic development district.

Referred to the Committee on Taxes and Tax Laws.

#### **Ms. Pappas introduced--**

**S.F. No. 2816:** A bill for an act relating to taxation; providing that the market value of certain apartment property will not be increased for improvements for a certain tax period; amending Minnesota Statutes 1994, section 273.11, by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

**Mr. Larson introduced--**

**S.F. No. 2817:** A bill for an act relating to Alexandria Lake Area Sanitary District; updating the enabling law; amending Laws 1971, chapter 869, sections 2, subdivisions 2, as amended, 14, and 17, as added; 3, subdivisions 5, 6, and 9; 4, subdivisions 1, 2, and 5, as amended; 5, subdivisions 1 and 3; 8; 10, subdivision 3b, as added; 12, subdivisions 1, as amended, and 2, as amended; 17, subdivision 11; 19; 20, subdivision 2; 21; and 24; repealing Laws 1971, chapter 869, section 6, subdivision 3.

Referred to the Committee on Environment and Natural Resources.

**Mr. Hottinger introduced--**

**S.F. No. 2818:** A bill for an act relating to gambling; establishing a commission to conduct discussions with Indian tribal governments on gambling issues; prescribing membership of the commission; requiring a report.

Referred to the Committee on Gaming Regulation.

**Mr. Pogemiller introduced--**

**S.F. No. 2819:** A bill for an act relating to taxation; authorizing creation of heritage and historic subdistricts within tax increment financing districts; amending Minnesota Statutes 1994, sections 469.174, subdivisions 7, 16, and by adding subdivisions; 469.175, subdivision 7, and by adding a subdivision; 469.176, subdivisions 4e, 5, and by adding a subdivision; and 469.1765, subdivisions 2, 3, 4, and 7; Minnesota Statutes 1995 Supplement, sections 273.1399, subdivision 6; 469.174, subdivisions 4, 23, and 24; and 469.175, subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

**Messrs. Lessard, Frederickson, Finn, Laidig and Stumpf introduced--**

**S.F. No. 2820:** A bill for an act relating to natural resources; appropriating money for grooming grant-in-aid snowmobile trails.

Referred to the Committee on Environment and Natural Resources.

**Mr. Lessard introduced--**

**S.F. No. 2821:** A bill for an act relating to local government; permitting the city of Cohasset to own and operate a gas utility.

Referred to the Committee on Metropolitan and Local Government.

**Mrs. Pariseau introduced--**

**S.F. No. 2822:** A bill for an act relating to courts; requiring county attorneys in certain counties to provide prosecution services for nonfelony violations in cities with small populations; amending Minnesota Statutes 1994, section 487.25, subdivision 10.

Referred to the Committee on Metropolitan and Local Government.

**Mr. Metzen introduced--**

**S.F. No. 2823:** A bill for an act relating to taxation; property; requiring additional information on the proposed notices in cases of pending referendums; amending Minnesota Statutes 1995 Supplement, sections 124A.03, subdivision 2; and 275.065, subdivision 3.

Referred to the Committee on Taxes and Tax Laws.

**Mr. Belanger introduced--**

**S.F. No. 2824:** A bill for an act relating to family law; child visitation; prohibiting visitation by a parent who has been convicted of certain offenses involving criminal sexual conduct; amending Minnesota Statutes 1994, section 518.179.

Referred to the Committee on Judiciary.

**Messrs. Kleis, Ourada, Knutson, Mrs. Fischbach and Mr. Johnson, D.E. introduced--**

**S.F. No. 2825:** A bill for an act relating to local government; limiting the municipal board's authority to initiate consolidation proceedings; amending Minnesota Statutes 1994, section 414.041, subdivision 1.

Referred to the Committee on Metropolitan and Local Government.

**Mr. Price introduced--**

**S.F. No. 2826:** A bill for an act relating to education; removing restrictions on appropriations; amending Laws 1995, chapter 212, article 1, sections 3, subdivision 2; and 4, subdivision 2.

Referred to the Committee on Education.

**Messrs. Dille, Mondale and Moe, R.D. introduced--**

**S.F. No. 2827:** A bill for an act relating to the environment; providing for an environmental permitting project; amending Minnesota Statutes 1994, sections 115.03, subdivisions 1 and 2; 115.04; 115.071, subdivisions 1, 2, 3, 4, and 5; 115.072; 115.075; 115.076, subdivision 1; 116.07, subdivision 9; and 116.091, subdivisions 1 and 3; Minnesota Statutes 1995 Supplement, section 116.072, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 114C.

Referred to the Committee on Environment and Natural Resources.

**Mr. Beckman introduced--**

**S.F. No. 2828:** A bill for an act relating to appropriations; appropriating money to the University of Minnesota for an anaerobic digestion demonstration unit; authorizing state bonds.

Referred to the Committee on Education.

**MEMBERS EXCUSED**

Messrs. Chmielewski and Kroening were excused from the Session of today. Ms. Anderson was excused from the Session of today from 12:00 noon to 12:15 p.m.

**ADJOURNMENT**

Mr. Moe, R.D. moved that the Senate do now adjourn until 8:00 a.m., Thursday, February 15, 1996. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

# INDEX TO DAILY JOURNAL

Wednesday, February 14, 1996

## MESSAGES FROM THE HOUSE AND FIRST READINGS OF HOUSE FILES

S.F. Nos.	Message Page	H.F. Nos.	Message Page	1st Reading Page
1946	.....5883	2013	.....5883	5884
		2044	.....5883	5885
		2055	.....5883	5884
		2068	.....5883	5884
		2127	.....5883	5885
		2163	.....5883	5884
		2207	.....5883	5885
		2411	.....5883	5884
		2509	.....5883	5884
		2630	.....5883	5884
		2778	.....5883	5884
		2783	.....5883	5884

## REPORTS OF COMMITTEES AND SECOND READINGS

S.F. Nos.	Report Page	2nd Reading Page	H.F. Nos.	Report Page	2nd Reading Page
950	.....5921	6042	2112	.....5921	
1117	.....5886	6042	2310	.....5893	
1164	.....5915		2391	.....5921	6042
1708	.....5893	6042	2401	.....5903	6042
1792	.....5892	6042	2420	.....5904	6042
1799	.....5887	6042	2532	.....5908	6042
1827	.....5908		2558	.....5905	6042
1865	.....5919				
1871	.....5895				
1875	.....5888	6042			
1884	.....5953				
1885	.....5906				
1887	.....6035				
1888	.....5885	6042			
2052	.....5889				
2054	.....5906	6042			
2077	.....5900	6042			
2098	.....5907	6042			
2120	.....5898	6042			
2143	.....5933				
2169	.....5892	6042			
2170	.....5895	6042			
2192	.....5899	6042			
2204	.....5953	6042			
2218	.....5891	6042			
2260	.....5907				
2321	.....5908				
2357	.....5896	6042			
2372	.....5951				

2446 .....	5888	
2476 .....	5921	6042
2503 .....	5922	
2516 .....	5891	6042
2517 .....	5894	6042
2532 .....	5904	6042
2591 .....	5903	6042
2598 .....	5902	6042
2612 .....	5933	
2613 .....	6034	
2672 .....	5905	6042
2675 .....	5887	6042
2691 .....	6036	
2709 .....	5951	
2780 .....	5904	6042

### MOTIONS AND RESOLUTIONS

S.F. Nos.	Page	H.F. Nos.	Page
1792 .....	6043		
1867 .....	6043		
1968 .....	6042		
2023 .....	6043		
2030 .....	6043		
2120 .....	6043		
2169 .....	6043		
2175 .....	6042		
2209 .....	6043		
2351 .....	6042		
2351 .....	6043		
2381 .....	6042		
2435 .....	6042		
2579 .....	6043		
2626 .....	6042		
2675 .....	6042		
2676 .....	6043		
2758 .....	6042		
2760 .....	6042		
2788 .....	6043		
2789 .....	6043		
2807 .....	6043		
2808 .....	6043		

### INTRODUCTION AND FIRST READING OF SENATE BILLS

S.F. Nos. 2815 to 2828 ..... Pages 6043 to 6045